MAHMOOD GROUP

MAHMOOD TEXTILE MILLS LIMITED

ANNUAL REPORT 2022

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BUSINESS REVIEW

01

VISION

To continue to be recognized globally as a dynamic business group specialized in multiple modern diversified businesses with its credibility of value creation for all stakeholders and the society through its strategically align innovation and sustainability framework.

CORE VALUES

- Integrity & Respect
- Innovation
- Empowerment
- Excellence
- Responsibility

CORPORATE INFORMATION

Board of Directors:

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Iqbal	Chief Executive Officer
Khawaja Muhammad Younus	Director
Mrs. Farah Ilyas	Female Director
Khawaja Muhammad Muzaffar Iqbal	Director
Khawaja Muhammad Anees	Director
Abdul Rehman Qureshi	Independent Director
Muhammad Asghar	Independent Director

Chief Financial Officer

Yasir Ghaffar
FCA

Company Secretary

Liaqat Ali Dolla

Auditors

ShineWing Hameed Chaudhri & Co
Chartered Accountants
2526/F Shadman Colony, Opposite High Court,
Bahawalpur Road, Multan.

Stock Exchange Listing

Mahmood Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange in Pakistan.

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.
H M House, 7-Bank Square, Lahore.

Bankers

MCB Bank Limited
United Bank Limited
Habib Bank Limited
Allied Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Bank Alfalah Limited
Bank Islami Limited
Habib Metropolitan Bank Limited
The Bank of Khyber
The Bank of Punjab
Askari Bank Limited
Soneri Bank Limited

Mills

Mahmoodabad, Multan Road,
Muzaffargarh.
Masoodabad, D.G. Khan Road,
Muzaffargarh.
Chowk Sarwar Shaheed, District
Muzaffargarh.
Industrail Estate, Multan.

Registered Office

Mehr Manzil, Lohari Gate, Multan.
Tel.: 061-111-181-181 Fax: 061-4511262
E-mail: info@mahmoodgroup.com
www.mahmoodtextile.com

Regional Office

2nd Floor, Cotton Exchange Building, I.I.
Chundrigarh Road, Karachi.

HONOURS AND ACHIEVEMENTS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 52nd Annual General Meeting of the Company will be held on Friday 21st October, 2022 at 11.00 A.M., at its registered office, Mehr Manzil, Lohari Gate, Multan to transact the following business:-

1- To confirm the minutes of an extraordinary general meeting of the company held on 31st, May, 2022.
2- To receive, consider and adopt the Financial Statements of the company for the year ended 30th June, 2022 together with Chairman's Review, Directors and Auditors' Reports thereon.
3- To approve payment of Cash Dividend @ 100 (Rs.10 per ordinary share of Rs.10/- each) for the year ended 30th June, 2022, as recommended by the Board of Directors.
4- To appoint Auditors for the year 2022-23 and to fix their remuneration. The present Auditors M/s. Shine wing Hameed Chaudhri & Company, Chartered Accountants, Lahore being eligible have consented and offered themselves for re-appointment.
5- To transact any other business as may be placed before the meeting with the permission of the Chair.

By order of The Board of Directors

Sd/-
Liaqat Ali Dolla
Company Secretary

Multan.
Date: 29th September, 2022.

NOTE:

i) The share transfer books of the Company will remain closed from 7th October to 20th October, 2022 (Both days inclusive). No transfer of shares will be accepted for registration during this PERIOD.

ii) A member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. (Proxy must be a member of the company). Proxy Form duly Completed and signed by the appointer must be lodged with the company at its Registered office at least forty-eight (48) hours before the time of holding of the AGM.

iii) Any individual beneficial owner of CDC entitled to attend and vote at this meeting Must bring his/her original CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of A Corporate entity should bring the Board of Directors resolution/power of attorney and attested copy of a valid CNIC of the person nominated to represent and vote on behalf of a corporate entity, shall be submitted along with the proxy form to the company.

iv) All Shareholders are requested to send to the company copy of their NTN Number/ Tax exemption Certificate under section 159 of the Income tax Ordinance immediately for the payment of Dividend, otherwise Income tax will be deducted @ 30%(Non Filer) and 15%(Filer) from the dividend amount, as per requirement of Finance Act,2022.

v) All Shareholders are again requested to send immediately their Bank A/c No. & IBAN No & Name of Bank/Branch/City along with copy of their valid CNIC to enable the Company to send the amount of dividend to them through Bank A/c on-line System, as required U/S 242 of the Companies Act, 2017.

vi) In pursuance of the directions given by SECP, Annual Financial Statements of the Company for the year 30-06-2022 have been posted on the company's Website. However, any member who desires to receive Annual Financial Statements through Email, he may provide his email address for this purpose.

vii) All Members are requested to replace their physical shares in Book-entry form and get their Names registered with the CDC, as early as possible, in compliance with the provisions of the Section-72 (2) of the Companies Act, 2017.

viii) Members are requested to claim last year's unclaimed cash dividend (if not received earlier) by providing to the company their Bank IBAN Number immediately, otherwise, the amount of such unclaimed cash Dividend will be credited to the account of the Federal Government, as provided under Section-244 of the Companies Act, 2017.

ix) Pursuant to provisions of the SECP's Circular No. 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding aggregate 10 % or more Shareholding, residing in geographical location to participate in the meeting Through video conference at least ten days prior to the date of meeting, the company Will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to the company at its Registered office, at least ten days prior to the date of meeting. "I/We , ...of................ being a members of the Mahmood Textile Mills Limited, holder of ordinary shares as per registered Folio No./CDC A/C....hereby opt for video conference facility at ...." Signature of Member.

x). Members are requested to notify immediately any change in their addresses.

CHAIRMAN'S REVIEW

I am pleased to present you the Annual Report of "MAHMOOD TEXTILE MILLS LIMITED" (the Company) for the year ended 30th June 2022. I congratulate all the shareholders and the stakeholders of the company well performance during the year under report.

The Board has developed a mechanism for annual evaluation of the Board's performance. The performance evaluation ensures that all the statutory and legal requirements are fulfilled with regard to meeting, procedure and role of the Board.

During the financial year 2021-2022 the Board successfully achieved targets and objects set for the growth of the company keeping in view of the following:-

1 Performed effective and robust oversight.

2 Reviewed and approved overall corporate strategy, annual business plan, key financial indicators and other budgetary targets.

3 Ensured the quality and appropriateness of financial reporting and the transparency of disclosures in Annual and Quarterly Financial statements.

4 Carried out risk assessment especially regulatory legal requirements, market trends. Cotton supply and price, energy availability and cost, foreign exchange and fluctuations, interest rate and liquidity risk.

5 Reviewed the effectiveness of internal control system.

Sd/-
Khawaja Muhammad Ilyas
Chairman

چیئرمین کی جائزہ رپورٹ

مجھے آپ کو 30 جون 2022 کو ختم ہونے والے سال کے لیے محمود ٹیکسٹائل ملز لمیٹڈ" (کمپنی) کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ میں رپورٹ کے تحت سال کے دوران کمپنی کی اچھی کارکردگی پر تمام شیئر ہولڈرز اور اسٹیک ہولڈرز کو مبارکباد پیش کرتا ہوں۔

بورڈ نے اپنی کی کارکردگی کی سالانہ جانچ کے لیے ایک طریقہ کار تیار کیا ہے۔ کارکردگی کا جائزہ اس بات کو یقینی بناتا ہے کہ میٹنگ، طریقہ کار اور بورڈ کے کردار کے حوالے سے تمام قانونی تقاضے پورے ہوں۔

مالی سال 2021-2022 کے دوران بورڈ نے درج ذیل کو مدنظر رکھتے ہوئے کمپنی کی ترقی کے لیے مقرر کردہ اہداف اور مقاصد کو کامیابی سے حاصل کیا:

1۔ موثر اور مضبوط نگرانی کی گئی۔

2۔ مجموعی کارپوریٹ حکمت عملی، سالانہ کاروباری منصوبہ، کلیدی مالیاتی اشارے اور دیگر بجٹ کے اہداف کا جائزہ لیا اور منظوری دی گئی۔

3۔ مالیاتی رپورٹنگ کے معیار اور مناسبیت اور سالانہ اور سہ ماہی مالیاتی بیانات میں مندرجات کی شفافیت کو یقینی بنایا۔

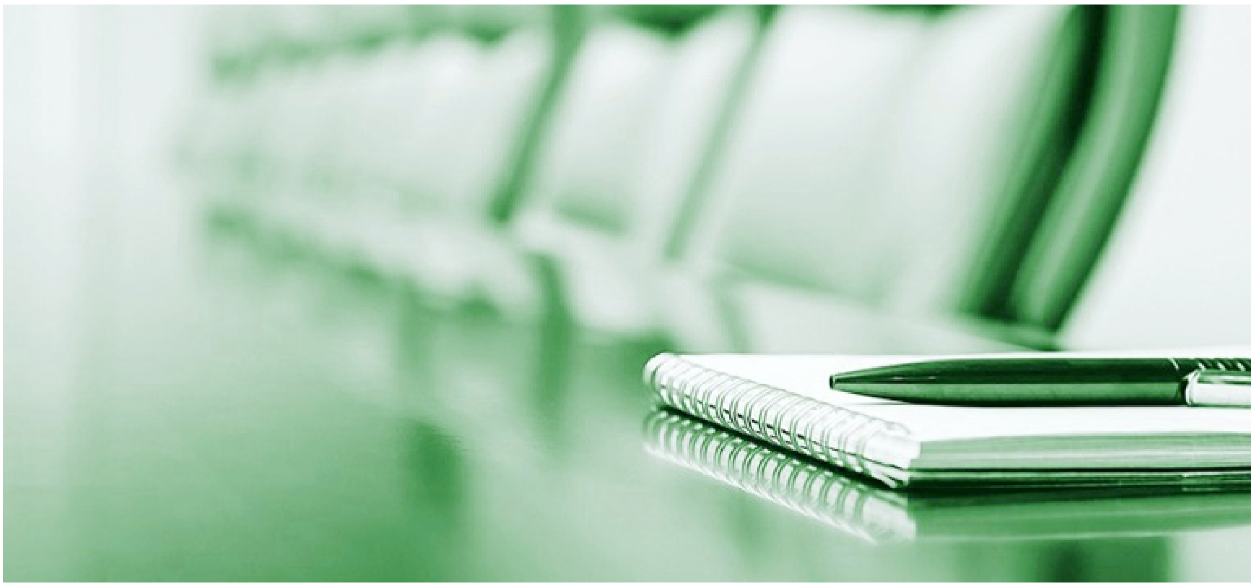
4۔ خطرے کی تشخیص خاص طور پر ریگولیٹری قانونی ضروریات، مارکیٹ کے رجحانات کو انجام دیا۔ کپاس کی سپلائی اور قیمت، توانائی کی دستیابی اور قیمت، زرمبادلہ اور اتار چڑھاؤ، شرح سود اور لیکویڈیٹی کا خطرہ۔

5۔ اندرونی کنٹرول سسٹم کی تاثیر کا جائزہ لیا۔

خواجہ محمد الیاس
چیئرمین

بسم الله الرحمن الرحيم

DIRECTORS' REPORT TO THE MEMBERS



The directors of your company are pleased to present the annual report and the audited financial statements for the year ending June 30, 2022, together with the auditors' report.

ECONOMIC AND INDUSTRIAL OVERVIEW

The year under review reflects an inconsistent trend because of the abrupt changes that included political unrest, high inflationary pressure, a significant twin deficit, dwindling foreign exchange reserves, a rapidly depreciating currency, and the Russia-Ukraine conflict which dented the global economic recovery. To counter the unpredictability of global financial circumstances, the State bank of Pakistan has tightened the monetary policy to combat inflationary pressure and promote sustained economic recovery.

Thus, inflation and external sectors' risks may lead to macroeconomic imbalances. The government is taking multiple policies, administrative, and relief measures to counter the downside risks to the economy.

However, even after facing twin obstacles of rising prices and a widening trade imbalance, Large-Scale Manufacturing (LSM) maintained its growth rate of around 11.7%, with a textile contribution of 3.2%.

Textile Industry

Pakistan's share in the global textile market is only 1.8%, offering it huge opportunities for sectoral growth. The Government of Pakistan has approved Textiles and Apparel Policy, 2020-25, intending to ensure the sustainability of textile sector exports.

Being among Pakistan's most important manufacturing sectors with the longest production chain, with inherent potential for value addition at each stage of processing, from cotton ginning, spinning, fabric, dyeing and finishing, made-ups, and garments. It plays a crucial part in sustaining Pakistan's economy and remains in the spotlight due to its reliance on valuable foreign exchange.

Performance Overview

Despite a challenging economic outlook, الحمدلله management has efficiently been able to attain remarkable results.

Profit and Loss Summary	June 30, 2022	June 30, 2021
	--- Rupees in Million ---	
Sales - Net	40,969.32	27,934.50
Gross profit	7,431.13	3,813.05
Distribution Cost	(1,352.855)	(703.27)
Administrative Expenses	(1,117.95)	(608.24)
Other Expenses	(355.66)	(162.09)
Other Income	176.70	366.33
Finance Cost	(1,783.65)	(1,257.78)
Profit before tax	3,962.37	1,875.29
Profit after tax	3,178.19	1,340.60
EPS	169.50	71.50

The company's gross margins (GMs) increased to 18% as compared to 14% in the corresponding year which is the cumulative result of different vital measures such as effective capacity utilization, higher sales, effective cost curtailment, and reduction in the operating cycle. This is accredited to significant improvement in spinning and weaving margins.

Expansions, BMR and Digitalization

The Company is committed to further expand production capacity in the following segments of the company which will overall contribute to our topline of USD 70 million annually

i.Spinning Division

The Company has already capitalized 10,944 spindles during the year under report whereas 32,064 are under erection and most of the machinery has reached the site and production will start by early year 2023. This will result in an increase in production capacity and will enable higher operational efficiency.

ii.Weaving Division

This division too has planned to undergo a comprehensive extension project for which 32 new high-speed energy-efficient looms are to be added. For this project, all back-processes and buildings have been already established and addition will be executed in the financial year 2022-23.

iii.Apparel Division

The Company has successfully commenced its operations at the Apparel unit with a production capacity of 10,000 units per day and further plan to expand production capacity to 25,000 units per day which will add approximately $75M to the top line. It is the only highest-rated LEED Certified facility operating to increase overall output and use leading technologically advanced equipment. All operational and business strategies are aligned with industry 4.0 guidelines.

The Company has also implemented state-of-the-art ERP at its newly established Apparel Manufacturing Unit which covers end-to-end execution of orders, recording and analysis of cut-to-pack, covers all pre-order and post-order costing also integrated with Oracle E-Business Suite Applications.

We have implemented BI using the world-renowned tool Qlik ® Sense and through this, it is feasible for us to decision-making, increase operational efficiency and productivity, spotting business problems that need to be addressed.

The Company is planning to implement the oracle fusion application which will enable organizations to efficiently create and run agile, intelligent applications in client-server, web, and cloud environments

Corporate Social Responsibility

Sustainable Education is one of the fastest drivers to transform the community. Keeping our vision of "Education for All", your company remains one step forward to promoting education in Southern Punjab Region.

- Literacy Training Program for Mill Workers.
- In collaboration with Foster learning Pakistan & Pakistan Professional Women Forum
- The basic literacy and soft skills program was designed for the capacity building of Mill workers
- More than 800 workforces benefitted from the program
- Supporting infrastructure of more than 5000 students of government schools
- Sponsorship of scholarships to various deserving students

We have collaborated with Care Foundation and initiated two self-operated schools providing

- Subsidized model for mill workers and community members
- +1200 students studying in established institutes
- School's staff pedagogical workshop (for advanced teaching techniques) with the collaboration of Oxford University Press
- Initiated Edtech (online student learning platform) with the collaboration of Edkasa at Mehr Fatima Care Model School, Muzaffargarh

- STEM Learning through EDKASA's mobile lab for practical's
- A sports complex for students in KabirWala with free membership
- Sustainable series of activities in schools
- Extra-curricular activities

Women Empowerment: We believe that no community can transform until its women are empowered. To have a meaningful impact on a broader horizon, we have clubbed all the initiatives of women empowerment to support the well-being of women in their various aspects of social, educational, economic, and psychological lives.

Health Care we have taken significant steps in ensuring health and safety of society and our workforce as well and in this regard following are the key steps have been taken

- Extensively work with Government hospitals to facilitate quality health care provision
- Availability of Site Doctor at mills throughout the Day
- Free basic health unit (BHU) is available within the premises to provide basic health care and first aid treatment to the affected employees
- Onsite dispensaries, catering to over 5,500 patients monthly
- Integration of e-health applications like 'Sehat Kahani' to help employees receive convenient and affordable e-health solutions.

Human Resource Management

Human resource planning and management are one of the most important considerations with senior management. The company has established an HR&R Committee which is involved in the selection, evaluation, compensation, and succession planning of key management personnel. It is also involved in recommending improvements in the human resource policies and procedures and their periodic review.

Corporate and Financial Reporting

Your company is committed to good corporate governance. The Board acknowledges its responsibility in respect of the Corporate and Financial Reporting Framework. The Directors confirm that:

·The financial statements prepared by the management of the company fairly present its state of affairs, the results of its operations, cash flows and changes in equity;

·Proper books of accounts have been maintained by the company;

·Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment;

·There are no doubts about the company's ability to continue as a going concern;

·There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations of the stock exchange;

·The system of internal control is sound in design and has been effectively implemented and monitored;

·International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in the preparation of the financial statements; and any departure thereof has been adequately disclosed and explained;

·Summary of key operational and financial data for last six years is annexed in the annual report.

·Information about taxes and levies is given in the notes to and forming part of financial statements

Statement of Compliance with the Code of Corporate Governance

The company has fully complied with the requirements of the Code of Corporate Governance as contained in the Listing Regulations of Pakistan Stocks Exchange. A statement of the fact is annexed with this report.

Auditors

The present auditors, M/s Shinewing Hameed Chaudhri & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee has recommended their re-appointment as Auditors of the company for the year ending June 30, 2023.

Pattern of Shareholding

The pattern of shareholding as on June 30, 2022, is annexed to this report.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with the management and auditors (both internal and external), they confirm that adequate controls have been implemented by the company.

Future Outlook

The post-pandemic recovery of the global economy has been severely jolted by the ongoing Russia–Ukraine conflict. Consequently, oil prices in the international commodity markets have soared to an all-time high.

Political instability and uncertainty, trade deficit, and depletion of foreign exchange reserves are all leading to significant pressure on the PKR against the US dollar.

The State Bank of Pakistan has boosted its policy rate to reach 15% and has linked Exports financing Schemes (EFS) and Long-Term Finance Facility (LTFF) to the policy rate to improve monetary policy transmission while continuing to incentivize by granting a discount of 500 basis points (bps) compared to the policy rate.

Cotton scarcity remains the country's primary concern as textile industry demand rises, but cotton output has fallen significantly over the past decade, mainly owing to farmers have abandoned cotton in favor of more profitable crops like sugarcane, etc. and, changing climatic conditions have made cotton growing difficult. Estimated 40 percent of the country's cotton crop have been destroyed by floods & heavy rains. This will have a disastrous effect on the world's cotton cycle, sending prices rocketing high. Cotton consumption will also be affected due to decrease in textile activities. Major reliance on imported cotton will cause pressure on the company's liquidity and national foreign reserve as well. However, the company has almost covered its needs for the next financial year.

It seems that the coming year will be more challenging, and the government must design strategies to boost exports and provide essential utilities and services in a consistent and cost-effective manner to secure the industry's and the economy's long-term growth.

Acknowledgment

The Board of Directors wishes to express on record its profound thanks to the company's employees at all levels for their devoted efforts and efficiency. Furthermore, they wish to express their appreciation for the cooperation and support of the company's shareholders, banks, customers, and suppliers, and they hope that this support will continue in the future with the same fervor and enthusiasm.

For and on behalf of the Board

Sd/-	Sd/-
Khawaja Muhammad Iqbal	**Khawaja Muhammad Younus**
Chief Executive Officer	Director

Multan
Dated: 29th September, 2022

اسٹیٹ بنک آف پاکستان نے اپنی پالیسی ریٹ کو بڑھا کر 15 فیصد تک پہنچا دیا ہے اور ایکسپورٹ فنانس اسکیمز (EFS) اور طویل مدتی فنانس فیسبلٹی (LTFF) کو مانیٹری پالیسی ٹرانسمیشن کو بہتر بنانے کے لئے پالیسی ریٹ سے منسلک کر دیا ہے جبکہ اس میں رعایت دے کر پالیسی ریٹ کے مقابلے میں 500 بیسس پوائنٹس (bps) کے ساتھ حوصلہ افزائی کو جاری رکھا گیا ہے۔

☆ کپاس کی کمی ملک کی بنیادی تشویش کا باعث بنی ہوئی ہے کیونکہ ٹیکسٹائل انڈسٹری کی طلب میں اضافہ ہوا ہے، لیکن گذشتہ ایک دہائی کے دوران کپاس کی پیداوار میں نمایاں کمی آئی ہے جس کی بنیادی وجہ کسانوں نے زیادہ منافع بخش فصلوں جیسے گنے وغیرہ کے مقابلے میں کپاس کو ترک کر دیا ہے اور موسمی حالات کی تبدیلی نے کپاس کی پیداوار کو مشکل کر دیا ہے۔ ایک اندازے کے مطابق ملک کی 40 فیصد کپاس سیلاب اور شدید بارشوں سے تباہ ہو چکی ہے۔ اس کا دنیا کے روئی کے سرکل پر تباہ کن اثر پڑے گا۔ قیمتیں بلند ہو جائیں گی۔ ٹیکسٹائل کی سرگرمیوں میں کمی سے کپاس کے کھپت بھی متاثر ہو گی۔ درآمد شدہ کپاس پر زیادہ انحصار کمپنی کی لیکویڈیٹی اور قومی غیر ملکی ذخائر پر بھی دباؤ کا باعث بنے گا۔ تاہم کمپنی نے اگلے مالی سال کے لئے اپنی ضروریات کو تقریباً پورا کر لیا ہے۔

ایسا لگتا ہے کہ آنے والا سال زیادہ چیلنجنگ ہو گا اور حکومت کو برآمدات کو فروغ دینے اور صنعت اور معیشت کی طویل مدتی ترقی کو محفوظ بنانے کے لئے ایک مستقل اور کفایت شعاری سے ضروری یوٹیلیٹیز اور خدمات فراہم کرنے کے لئے حکمت عملی تیار کرنی چاہئے۔

اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے ملازمین کا ہر سطح پر ان کی مخلصانہ کاوشوں اور کارکردگی کے لئے تہہ دل سے شکریہ ادا کرنا چاہتا ہے۔ مزید برآں، وہ کمپنی کے شیئر ہولڈرز، بینکوں، صارفین اور سپلائرز کے تعاون اور حمایت کے لئے اپنی تعریف کا اظہار کرنا چاہتے ہیں، اور وہ اُمید کرتے ہیں کہ یہ تعاون مستقبل میں بھی اسی جوش و جذبہ کے ساتھ جاری رہے گا۔

خواجہ محمد اقبال	خواجہ محمد یونس
(چیف ایگزیکٹو آفیسر)	(ڈائریکٹر)

ملتان

تاریخ: 29 ستمبر 2022ء

☆ آن سائٹ ڈسپنسریاں جو ماہانہ 5500 سے زیادہ مریضوں کی دیکھ بھال کرتی ہیں۔

☆ ملازمین کو آسان اور سستی ای ہیلتھ حل، حاصل کرنے میں مدد کرنے کے لئے صحت کہانی جیسی ای ہیلتھ ایپلی کیشن کا انضمام۔

انسانی وسائل کے انتظام:

انسانی وسائل کی منصوبہ بندی اور انتظام سینئر منیجمنٹ کے ساتھ سب سے اہم غور طلب مسائل میں سے ایک ہے۔ کمپنی نے ایک HR&R کمیٹی قائم کی ہے جو اہم انتظامی اہلکاروں کے انتخاب، تشخیص، معاوضے اور جانشینی کی منصوبہ بندی میں شامل ہے۔ یہ انسانی وسائل کی پالیسیوں اور طریقہ کار میں بہتری کی سفارش کرنے اور ان کے متواتر جائزے میں بھی شامل ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ:

آپ کی کمپنی اچھی کارپوریٹ گورننس کے لئے پُرعزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے سلسلے میں اپنی ذمہ داری کو تسلیم کرتا ہے۔

ڈائریکٹرز تصدیق کرتے ہیں کہ:

☆ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد ترسیل اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

☆ کمپنی کی طرف سے اکاؤنٹس کی مناسب کتابیں رکھی گئی ہیں۔

☆ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے، معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

☆ کمپنی کو جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔

☆ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے۔ جیسا کہ اسٹاک ایکسچینج کے فہرست سازی کے ضوابط میں تفصیل دی گئی ہے۔

☆ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

☆ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو کہ پاکستان میں لاگو ہوتا ہے اور مالیاتی بیانات کی تیاری میں کمپنیز ایکٹ، 2017ء کے تقاضوں پر عمل کیا گیا ہے اس کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

☆ پچھلے چھ سالوں کے اہم آپریشنل اور مالیاتی ڈیٹا کا خلاصہ سالانہ رپورٹ میں شامل کیا گیا ہے۔

☆ ٹیکس اور لیویز کے بارے میں معلومات مالیاتی بیانات کے نوٹس میں دی گئی ہیں۔

کارپوریٹ انتظام کے عملدر آمد کی تکمیل کا بیانیہ

کمپنی نے کوڈ آف کارپوریٹ گورننس کے تقاضوں کی مکمل تعمیل کی ہے جیسا کہ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز میں موجود ہے۔ جسکا بیان اس رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، میسرز شائنگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے اور اہل ہونے کے بعد خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ آڈٹ کمیٹی نے 30 جون 2023ء کو ختم ہونے والی مالی سال کے لئے کمپنی کا آڈیٹر کے طور پر ان کے دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ:

30 جون 2022ء تک شیئر ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

داخلی مالیاتی کنٹرول:

ڈائریکٹرز اندرونی مالیاتی کنٹرول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (ہر دو اندرونی و بیرونی) کے ساتھ بات چیت کے ذریعے، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کئے گئے ہیں۔

مستقبل پر ایک نظر

عالمی معیشت کی وبائی بیماری کے بعد کی بحالی کو روس اور یوکرائن کے جاری تنازعے سے شدید دھچکا لگا ہے۔ نتیجتاً بین الاقوامی اجناس کی منڈیوں میں تبدیل کی قیمتیں تاریخ کی بلند ترین سطح پر پہنچ گئی ہیں۔

سیاسی عدم استحکام اور غیر یقینی صورتحال، تجارتی خسارہ اور زرمبادلہ کے ذخائر میں کمی یہ سب امریکی ڈالر کے مقابلے PKR پر نمایاں دباؤ کا باعث بن رہے ہیں۔

بنایا ہے جس کے لئے 32 نئے تیز رفتار کم توانائی سے چلنے والی لومز شامل کی جائیں گی۔ اس منصوبے کے لئے تمام بیک پروسیس اور عمارتیں پہلے ہی قائم ہو چکی ہیں اور مالی سال 23-2022ء میں، اس میں اضافہ کیا جائے گا۔

ملبوسات ڈویژن

ہم نے ملبوسات کے یونٹ میں 10,000 یونٹس فی یوم کی پیداواری صلاحیت کے ساتھ کامیابی کے ساتھ اپنے کام کا آغاز کیا ہے اور مزید پیداواری صلاحیت کو 25000 یونٹس فی یوم تک بڑھانے کا منصوبہ ہے جس سے ٹاپ لائن میں تقریباً 75 ملین ڈالر کا اظہار ہوگا۔ یہ واحد اعلیٰ درجہ کی LEED مصدقہ سہولت ہے جو مجموعی پیداوار کو بڑھانے اور معروف تکنیکی طور پر جدید آلات استعمال کرنے کے لئے کام کرتی ہے۔ تمام آپریشنل اور کاروباری حکمت عملی صنعت 4.0 کے رہنما اصول کے ساتھ منسلک ہیں۔

ہم نے اس کے لئے قائم کردہ ملبوسات نئے مینوفیکچرنگ یونٹ میں جدید ترین ERP بھی شامل کیا ہے جس میں آرڈرز کے آغاز سے اختتام تک عملدرآمد ریکارڈنگ اور کٹ ٹو پیک کا تجزیہ شامل ہے۔ تمام پری اور پوسٹ آرڈرز لاگت کا احاطہ کرتے ہیں۔ ای بزنس سوئٹ اور ریکل کمپیوٹر پروگرام کے ساتھ بھی مربوط ہے۔

ہم نے عالمی شہرت یافتہ ٹول Qlik رجسٹرڈ Sense کا استعمال کرتے ہوئے BI کو لاگو کیا ہے اور اس کے ذریعے ہمارے لئے فیصلہ سازی، آپریشنل کارکردگی اور پیداواری صلاحیت میں اضافہ، کاروباری مسائل کی نشاندہی کرنا ممکن ہے جن کو حل کرنے کی ضرورت ہے۔

ہم اوریکل فیوژن پروگرام کو نافذ کرنے کا منصوبہ بنا رہے ہیں جو ادارے کو کلائنٹ سرور، ویب اور کلاؤڈ ماحول میں چست، ذہین پروگرام کو موثر طریقے سے بنانے اور چلانے کے قابل بنائے گی۔

کارپوریٹ سماجی ذمہ داری

پائیدار تعلیم معاشرے کو تبدیل کرنے والا تیز ترین عوامل میں سے ایک ہے۔ تعلیم سب کے لئے کے ہمارے وژن کو برقرار رکھتے ہوئے، آپ کی کمپنی جنوبی پنجاب ریجن میں تعلیم کے فروغ کے لئے ایک قدم آگے ہے۔

- ☆ مل مزدوروں کے لئے خواندگی کا تربیتی پرگرام۔
- ☆ فوسٹر لرننگ پاکستان اور پاکستان پروفیشنل ویمن فورم کے تعاون سے۔
- ☆ بنیادی خواندگی اور نرم مہارتوں کا پروگرام مل کارکنوں کی استعداد کار بڑھانے کے لئے مرتب کیا گیا تھا۔
- ☆ پروگرام سے 800 سے زیادہ افرادی قوت مستفید ہوئی۔
- ☆ سرکاری سکولوں کے 5000 سے زائد طلباء کے بنیادی ڈھانچے کو معاونت فراہم کرنا۔
- ☆ مختلف مستحق طلبا کو وظائف کی کفالت۔

ہم نے کیئر فاؤنڈیشن کے ساتھ تعاون سے خود کار دو سکولوں کو امداد فراہم کرنے کا آغاز کیا ہے۔

- ☆ مل ورکرز اور کمیونٹی ممبران کے لئے سبسڈی والا ماڈل۔
- ☆ ۱۲۰۰ طلباء قائم شدہ اداروں میں زیر تعلیم ہیں۔
- ☆ آکسفورڈ یونیورسٹی پریس کے تعاون سے سکول کے عملے کی تدریسی ورکشاپ (جدید تدریسی تکنیکوں کے لئے)
- ☆ مہر فاطمہ کیئر ماڈل سکول، مظفر گڑھ میں ایڈکاسا کے تعاون سے ایڈٹیک (آن لائن طلب کے سیکھنے کا پلیٹ فارم) کا آغاز کیا ہے۔
- ☆ پریکٹیکل کے لئے EDKASA کے موبائل پروگرام کے ذریعے STEM لرننگ۔
- ☆ کبیر والا میں طلباء کے لئے مفت رکنیت کے ساتھ ایک اسپورٹس کمپلیکس۔
- ☆ اسکولوں میں سرگرمیوں کا پائیدار سلسلہ۔
- ☆ غیر نصابی سرگرمیاں

خواتین کو بااختیار بنانا: ہم سمجھتے ہیں کہ کوئی بھی معاشرہ تب تک تبدیل نہیں ہوسکتا جب تک اس کی خواتین کو بااختیار نہ بنادیا جائے۔ وسیع تر افق پر بامعنی اثر ڈالنے کے لئے، ہم نے خواتین کو بااختیار بنانے کے تمام اقدامات کو یکجا کیا ہے۔ خواتین کی سماجی، تعلیمی، معاشی اور نفسیاتی زندگی کے مختلف پہلوؤں میں ان کی فلاح و بہود کے لئے اہم کردار ادا کررہی ہے۔

ہیلتھ کیئر: ہم نے معاشرے اور اپنی افرادی قوت کی صحت اور حفاظت کو یقینی بنانے کے لئے اہم اقدامات کئے ہیں اور اس سلسلے میں درج ذیل اہم اقدامات کئے گئے ہیں۔

- ☆ دن بھر ملوں میں سائٹ ڈاکٹرز کی دستیابی۔
- ☆ متاثرہ ملازمین کو بنیادی صحت کی دیکھ بھال اور ابتدائی طبی امداد فراہم کرنے کے لئے مفت بنیادی صحت یونٹ (BHU) میں دستیاب ہے

بسم اللہ الرحمٰن الرحیم

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2022ء کو ختم ہونے والے مالی سال کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشواروں کو پیش کرنے پر مسرت کا اظہار کرتے ہیں۔

اقتصادی اور صنعتی جائزہ

حالیہ سال اچانک تبدیلیوں کے باعث ایک متضاد رجحان کے زیر اثر رہا جس میں سیاسی بدامنی، افراط زر کا دباؤ، ایک اہم جڑواں خسارہ، زرمبادلہ کے تیزی سے کم ہوتے ذخائر، کرنسی کی ابتری اور روس یوکرین تنازعہ جس نے عالمی اقتصادی بحالی کو شدید متاثر کیا۔ عالمی معالیاتی حالات کی غیر متوقع صورتحال کا مقابلہ کرنے کے لئے، اسٹیٹ بنک آف پاکستان نے مہنگائی کے دباؤ سے نمٹنے اور پائیدار معاشی بحالی کے فروخت کے لئے مانیٹری پالیسی کو مزید سخت کر دیا ہے۔

اس طرح افراط زر ار بیرونی شعبوں کے خطرات مائیکرو اکنامک عدم توازن کا باعث بن سکتے ہیں۔ حکومت معیشت کو درپیش منفی خطرات کو نمٹنے کے لئے متعدد پالیسی مرتب کرتے ہوئے انتظامی اور امدادی اقدامات کر رہی ہے۔

تاہم بڑھتی ہوئی قیمتوں اور بڑھتے ہوئے تجارتی عدم توازن کی دہری رکاوٹوں کا سامنا کرنے کے بعد بھی وسیع پیمانے پر مینوفیکچرنگ (LSM) نے 3.2 فیصد کی ٹیکسٹائل شراکت کے ساتھ 11.7 فیصد کی ترقی کی شرح کو برقرار رکھا۔

ٹیکسٹائل کی صنعت

ٹیکسٹائل کی عالمی منڈی میں پاکستان کا حصہ محض 1.8 فیصد ہے جو اس شعبے کی ترقی کے لئے بہت زیادہ مواقع فراہم کرتا ہے۔ حکومتِ پاکستان نے ٹیکسٹائل اور ملبوسات کی پالیسی 25-2020ء کی منظوری دے دی ہے جس کا مقصد ٹیکسٹائل کے شعبہ کی برآمدات کو یقینی بنانا ہے۔

کاٹن جننگ، اسپننگ، فیبرک، ڈائینگ اور فنشنگ، بنے بنائے اور گارمنٹس سے لے کر پروسیسنگ کے ہر مرحلے پر قدر میں اضافہ کی موروثی صلاحیت کے ساتھ طویل ترین پیداواری سلسلہ کے ساتھ پاکستان کے سب سے اہم مینوفیکچرنگ سیکٹرز میں شامل ہونا، یہ پاکستان کی معیشت کو برقرار رکھنے میں ایک اہم کردار ادا کرتا ہے اور قیمتی زرمبادلہ پر انحصار کی وجہ سے توجہ میں رہتا ہے۔

کارکردگی کا جائزہ:

ایک چیلنجنگ اقتصادی نقطہ نظر کے باوجود، انتظامیہ نے موثر طریقے سے قابل ذکر نتائج حاصل کئے ہیں۔

نفع ونقصان کا خلاصہ	30 جون 2022ء (روپے ملین میں)	30 جون 2021ء
خالص فروخت	40,969.32	27,934.50
خالص منافع	7,431.13	3,813.05
تقسیم کی لاگت	(1,352.855)	(703.27)
انتظامی اخراجات	(1,117.95)	(608.24)
دیگر اخراجات	(355.66)	(162.09)
دیگر محاصل	176.70	366.33
مالی اخراجات	(1,783.65)	(1,257.78)
ٹیکس سے قبل منافع	3,962.37	1,875.29
بعد از ٹیکس منافع	3,178.19	1,340.60
	169.50	71.50

کمپنی کے مجموعی منافع کی شرح (GMs) اسی سال میں 14 فیصد کے مقابلے میں بڑھ کر 18 فیصد ہوگئی ہے جو مختلف اہم اقدامات جیسا کہ موثر صلاحیت کا استعمال، فروخت میں اضافہ، لاگت میں واضح کمی اور آپریٹنگ سائیکل میں کمی کا مجموعی نتیجہ ہے۔ یہ اسپننگ اور ویونگ مارجن میں نمایاں بہتری کے لئے مسلمہ حیثیت رکھتا ہے۔

توسیع، BMR اور ڈیجیٹلائزیشن:

ہم کمپنی کے درج ذیل شعبہ جات میں پیداواری صلاحیت کو مزید وسعت دینے کے لئے پُرعزم ہیں جو مجموعی طور پر ہماری سالانہ 70 ملین امریکی ڈالرز کی ٹاپ لائن میں حصہ دار ہوگی۔

سپننگ ڈویژن

رپورٹ کے مطابق ہم نے پہلے ہی 10,944 سپنڈلز کو سال کے دوران کیپٹلائز کیا ہے جبکہ 32,064 تکمیل کے مراحل میں ہیں اور زیادہ تر مشینری سائٹ پر پہنچ چکی ہے نیز پیداوار 2023ء کے اوائل میں شروع ہو جائے گی۔ اس کے نتیجہ میں پیداواری صلاحیت میں اضافہ ہوگا اور اعلیٰ عملی کارکردگی کو ممکن بنایا جائے گا۔

ویونگ ڈویژن

اس ڈویژن نے بھی ایک وسیع توسیعی منصوبے سے گزرنے کا منصوبہ

SUSTAINABILITY REPORT

At Mahmood Group, our sustainability vision is embodied in our tagline "Sustainable Innovation in Every Thread", and is all about creating and developing long-term sustainability innovatively in every product, process, and operation.

Mahmood Group has a Corporate Business Affairs Department with dedicated sustainability, CSR and digital media team. This department provides an advisory role in planning long-term corporate goals & strategies and supports the businesses in developing objectives and identification of potential sustainability projects. It also extends its support from time to time in setting targets and making annual reports and performance reviews as per global sustainability targets.

Our Supply Chain

Suppliers are an integral component to meeting customer expectations to effectively provide them with good quality and certified products. Our primary focus when deciding on procurement is to get the best combination of quality, economy, efficiency, and effectiveness while keeping sustainability as a priority. We not only consider cost effectiveness but also provide a positive change to all our stakeholders in bringing ethical and sustainable business choices throughout our procurement process.

At Mahmood Group, we plan and procure our material shipment both locally and imported by being vigilant of our greenhouse gas emissions. We are also working on Green Purchase Policy for procurement of environmentally friendly products and building relationships with suppliers committed to responsible supply chains.

Our Accreditations and Awards

Mahmood Group is a member of multiple industry associations and affiliations and actively supports the cause of sustainability in all its operations. We staunchly support our commitment to the sustainable development goals of the United Nations and we align our business strategies with the latest global rules.

Women empowerment is the core of Mahmood Group's vision. We have been awarded the "Gender Diversity Award" provided by a mutual collaboration of "The International Finance Corporation (World Bank Group), UK Aid, and Pakistan Business Council" in the year 2022.

ENVIRONMENTAL PROTECTION

Greenhouse Gas Emissions

Being an environmentally conscious entity, we at Mahmood Group measure and develops the Greenhouse Gas Inventory (GHG) and evaluate the GHG emissions for Mahmood Group and is planning to further reduce the emissions by following prominent emission reduction strategies.

Net Zero Coalition Pakistan

Mahmood Group became a signatory of the Net-Zero coalition Pakistan to accelerate their sustainability transition and deliver the goal of net zero by 2050 on August 23, 2021.

Transformation to Renewable Energy

We shifted our focus towards solar energy with a current installation of 23 MW solar capacity. This leads to enhancing the solar capacity with an annual production of 35.58 MWh. Our solar energy is equipped with the latest innovative technology; half-cell PVs, cloud-based monitoring systems and updated structures assisting as major contributors in socioeconomic development.

Tree Plantation

Mahmood Group had done tree plantations in Multan citywide at green belts, roundabouts, and parks. We have developed a Miwaki Garden along with landscaping in industry's area. To maintain the natural habitat, approximately 10,000 trees are planted at various locations in Multan including parks and full-grown trees.

Heat Recovery System

Waste Heat Recovery Boiler (WHRB) has been installed on the Genset exhaust to produce steam.

Effluent Treatment Plant

Two effluent treatment plants have been installed to treat Industrial Effluents of wastewater before releasing it into the main industrial discharge stream, one is conventionally installed at Khawaja Tanneries and one is at Apparel unit complying with the Zero discharge of hazardous chemicals (ZDHC) Aspirational level.

Rainwater Management

We have a tank for rainwater collection, the capacity of the tank is approximately 12,000 GLN. This water is reused for utilities and gardening.

RO Filter

To provide clean drinking water, we have installed Reverse Osmosis (RO) Filters at the Production Plant, capacity of RO filters is 500 liters/hour.

SOCIAL DEVELOPMENT

Our people are the most fundamental aspect of our business. Mahmood Group is leading the initiatives at large and we have combined multiple social, educational, economic, health, and physiological initiatives under the umbrella of social development.

Education

Education is one of the fastest drivers to transform the community. Keeping our vision of "Education for All", Mahmood Group remains one step forward to promoting education in Southern Punjab Region.

Collaboration with Care Foundation

The quality of education is one of the top priorities. Therefore, we collaborated with Care Foundation. We have been financially assisting various government primary, middle & secondary schools since 2013.

In government schools' infrastructure and quality of education have been our key areas. With this initiative, we have catered to more than 5000 students. We have incorporated two Mahmood Group schools having a subsidized model for the Mill workers and community members. We have state-of-the-art buildings having all facilities in the area of Kabir Wala and Muzaffargarh.

Teacher's Training

For the professional development of teachers, a series of training has been arranged. The training from Oxford University Press with the collaboration of Care has been organized based on pedagogical (teaching) techniques.

EdTech

To revolutionize the learning of students, we have collaborated with "Edkasa" in our Mehr Fatima Care school Muzaffargarh, for secondary classes. It is an online learning platform integrated with technology. EdTech not only provides virtual assistance to our students but gives them exposure to the online learning module.

Literacy Training Program for Mill Workers

We have synergized our collaboration with Foster learning Pakistan & Pakistan Professional Women Forum. The basic literacy and soft skills program was designed at the group level for the capacity building of Mill workers. As a result, more than 800 workforces benefitted from the program.

Workshop on Kitchen Gardening

For the economic well-being of women, Mahmood Group conducted kitchen gardening & composting sessions with 60 participants. The focus of the training was to foster the importance of organic food, a healthier lifestyle, kitchen budget management, and entrepreneurship.

Skill Enhancement Program

At Mahmood Group, as most of the female workforce comes from marginalized areas, keeping in view their financial constraints, we have opened the doors of embroidery skill programs for the workers. They will make women self-sufficient in their lives by creating multiple venues of earning for them.

Health & Hygiene Sessions

We conducted various awareness sessions with the partnership of "Santex" at the Group level and the community level. "October" was celebrated as Pink-tober throughout the group. Health and hygiene sessions were organized for women employees and the workforce with the collaboration of Shaukat Khanum Cancer Hospital.

Transport Facility

Mahmood Group further extended its support to accommodate females in terms of conveyance facilities extending from the management level to school staff and all the female workforce.

Smart Village Program

With the collaboration of WWF, the traditional practices of the village have been merged with the global trends. Rural communities of Kabir Wala have been empowered through the implementation of the Smart Village Program, aiming at least 6 villages to conserve natural resources for the sustainability of people and the planet. From the grassroots level series of programs like promoting environmental protection activities through engaging students in school eco-clubs will be done.

Smart Village program is empowering rural communities through skill enhancement, gender empowerment, and conservation of natural resources for socio-economic and environmental resilience.

Sports

Mahmood Group never compromises the well-being of the youth and their employees. Following sports activities are planned to enhance the health and well-being of employees:

- Development of South Punjab Football Club and Academy: 1st phase has been initiated in Multan and Kabirwala, 2nd phase is planned in Khanewal, Bahawalpur, and Muzaffargarh.
- Martial Arts Academy (Judo, Karate, Taekwondo, Woshu) has been planned to establish in Kabirwala and Multan
- Under-19 / Grassroots cricket academy has been planned in Kabirwala
- It is planned to include educational scholarships in all sports, presented to the highest performer and talented athletes in their respective games. (All South Punjab Cities)
- Multan Cycling Club is planned to be established

Community-Wellbeing

Mahmood Group not only considers the well-being of its employees but also of the community it is surrounded with. Major initiatives for community well-being are:

- Large scale Tree plantation drive for a greener, healthier city
- Construction of 15 water filter plants at various locations in Multan- 166 thousand people daily
- Donations to various organizations and financial support to students and families
- Restoration and maintenance of city parks, along with the installation of waste bins for promoting cleanliness, and recycling of waste
- Maintenance of city roads and infrastructure
- Initiation of Baluchistan Cotton Project to support local farmers and help in economic and environmental uplifting.
- Weekly food drives, in partnership with Robin Hood Army for the eradication of Hunger.

MG is the collaborating partner with global nonprofit Organization RHA in Multan. It is serving approximately 400k people eliminating hunger and spreading smiles to the marginalized community. RHA Pakistan has served 11.9M since its inception in 2015.

FINANCIAL SUMMARY

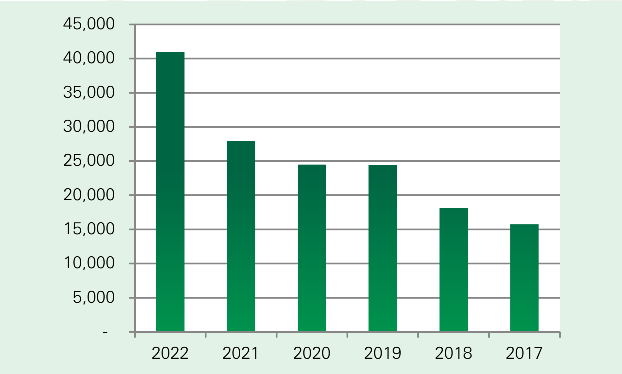
SIX YEARS REVIEW AT A GLANCE

Rupees in Million

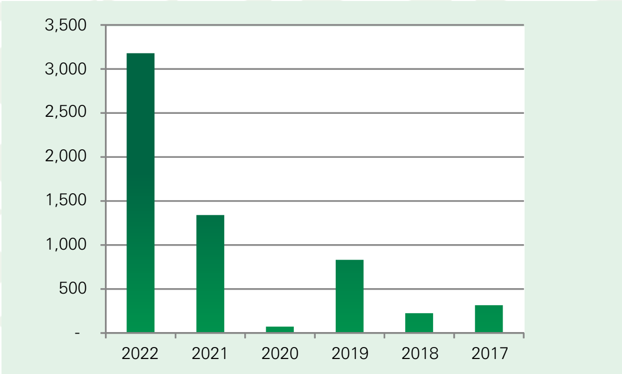
	2022	2021	2020	2019	2018	2017
Assets						
FIXED ASSETS	13,939	9,697	8,581	8,941	5,594	3,197
INTANGIBLE ASSET	7	-	-	-	-	-
LONG TERM INVESTMENTS	5,114	4,610	4,190	3,889	1,383	1,493
LONG TERM DEPOSITS	53	25.015	10	10	9	9
CURRENT ASSETS	20,680	12,492	12,667	12,426	11,219	9,670
TOTAL ASSETS	39,793	26,825	25,448	25,266	18,205	14,369
FINANCED BY:						
EQUITY	12,651	9,938	8,583	8,484	4,704	4,783
LONG TERM LIABILITIES	7,961	5,834	5,497	3350	2052	861
LEASE LIABILITIES	25	13				
DEFFERED LIABILITIES	558	388	104	80	-	-
CURRENT LIABILITIES	18,596	10,652	11,264	13,352	11,449	8,725
TOTAL FUNDS INVESTED	39,793	26,825	25,448	25,266	18,205	14,369
PROFIT AND LOSS:						
SALES - NET	40,969	27,934	24,465	24,387	18,154	15,748
OPERATING PROFIT	4,781	2,706	1,280	1,348	973	786
PROFIT BEFORE TAXATION	3,962	1,875	302	1,062	287	467
PROFIT AFTER TAXATION	3,178	1,341	72	831	225	317
DIVIDENDS	100%	100%	0%	25%	25%	90%
PROFIT C/F	9,927	7,074	5,596	5,491	4,703	4,626
EPS	169.50	71.50	3.82	40.03	15.00	21.13

GRAPHICAL PRESENTATION

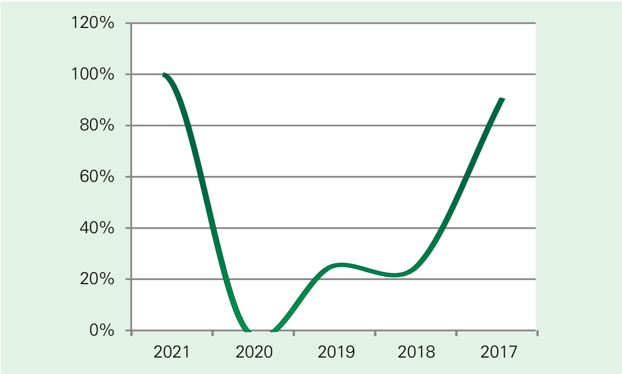
Sales (Rs. in million)



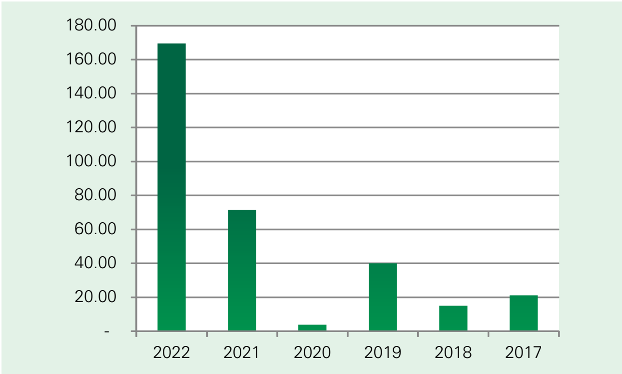
Profit after Taxation (Rs. in million)



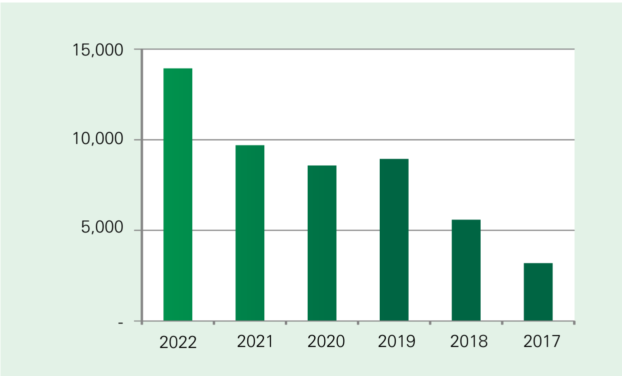
Dividends (Rupees)



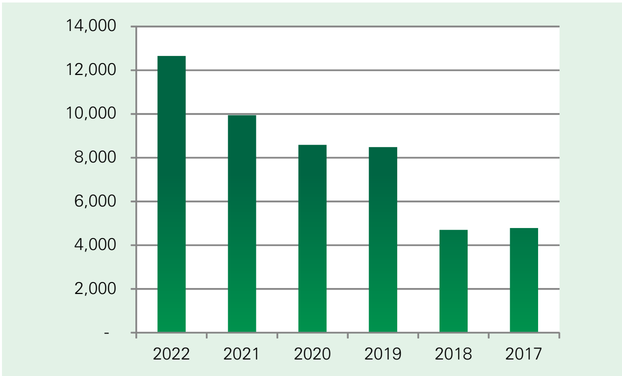
Earning per Share (Rupees)



Fixed Assets (Rs. in million)



Equity (Rs. in million)



BOARD HUMAN RESOURCE COMMITTEE

Composition:

Abdul Rehman Qureshi	Chairman
Khawaja Muhammad Ilyas	Member
Khawaja Muhammad Muzaffar Iqbal	Member

Terms of Reference

The Committee makes recommendations to the Board for maintaining (i) a sound organizational plan of the Company, (ii) an effective employee development programme and (iii) sound compensation and benefit plans, policies and practices designed to attract and retain high caliber personnel for effective management of business with a view to achieve said objectives.

The Terms of Reference of the Board Human Resource Committee include review and recommendations for the Board's approval, matters relating to:

(i) Changes in organization, functions and relationships affecting management positions.

(ii) Establishment of Human Resource plans and procedures.

(iii) Determination of appropriate limits of authority and approval procedures for personnel matters.

(iv) Review of employee development system and procedures, early identification and development of key personnel and specific succession plans for senior management positions.

(v) Review and evaluation of compensation policies, practices and procedures.

BOARD AUDIT COMMITTEE

Composition:

The Board Audit Committee is composed of the following Directors:

Mr. Muhammad Asghar	Chairman
Khawaja Muhammad Younas	Member
Khawaja Muhammad Anees	Member

Terms of Reference

The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and considers any question of resignation or removal of external auditors, audit fees and provision of any service to the Company by its external auditors in addition to the audit of its financial statements.

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

(i) Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.

(ii) Discussions with the external auditors of major observations arising from interim and final audits; review of management letter issued by the external auditors and management's response thereto.

(iii) Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

(iv) Ascertain adequacy and effectiveness of the internal control system including financial and operational controls, accounting system and reporting structure.

(v) Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.

(vi) Institute special projects or other investigations on any matters specified by the Board of Directors.

The Board Audit Committee met four (4) times during the year with an average participation of all members

CORPORATE GOVERNANCE

02

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

This statement is being presented to comply with the Listed Companies Code of Corporate Governance Regulations 2019 (Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has complied with the requirements of the Regulations in the following Manner:

1. The total Number of Directors are Eight as per the following
   a. Male: 7
   b. Female: 1
2. The composition of board is as follows:

Category	Name
Independent Director	Mr. Abdul Rehman Qureshi Mr. Muhammad Asghar
Non-Executive Directors	Mr. Khawaja Muhammad Ilyas Mr. Khawaja Muhammad Younus Mr. Khawaja Muhammad Muzaffar Iqbal Mr. Khawaja Muhammad Anees
Executive Directors	Mr. Khawaja Muhammad Iqbal Mrs. Farah Ilyas

The independent directors meet the criteria of independence under the Companies Act, 2017 (the Act).

3. The Directors has confirmed that none of them is serving as a Director on more than seven listed companies, including this company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures
5. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Out of eight Directors, five Directors are exempted from Directors Training Program (DTP) on the basis of their education and experience, and remaining three Directors have acquired the prescribed certifications under DTP offered by institutions that meet the criteria specified by the Commission.
10. The Board has approved the appointment of Chief Financial Officer and Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no new appointment of Head of Internal Audit during the year, although all such appointments along with the remuneration and terms and conditions of employment are duly approved by the Board and complied with relevant requirements of the Regulations.
11. Chairman, Chief Executive Officer, Chief Financial Officer, and one Director duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below.
    a) Audit Committee
       Mr. Muhammad Ashgar (Chairman)
       Mr. Khawaja Muhammad Younus (Member)
       Mr. Khawaja Muhammad Anees (Member)
    b) HR and Remuneration Committee
       Mr. Abdul Rehman Qureshi
       Mr. Khawaja Muhammad Ilyas
       Mr. Khawaja Muhammad Muzaffar Iqbal
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance
14. The frequency of meetings (quarterly / half yearly/yearly) of the committee were as per following:
    a) Audit Committee:
       1st Meeting: within four months of end of year
       2nd Meeting: within one months of end of quarter
       3rd Meeting: within two months of end of half year
       4th Meeting: within one month of end of quarter
    b) HR and Remuneration Committee:
       1 meeting during the year.
15. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. The Board has been reconstituted with 7 directors and Chief Executive Officer. One additional independent director and one female director have been added to the Board. The Company currently has 2 independent directors. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements. At the time of appointment of Directors in EOGM held on January 31, 2020, total number of directors appointed was seven including two independent directors which fulfill the requirements of the Code.
19. We confirm that all requirements of regulations 3,6,7,8, 27, 32, 33 and 36 of the Regulations have been complied.

For and on behalf of the Board of Directors.

Multan: Sd/

Dated: 29th September, 2022 Chairman

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2022

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	TO		TOTAL SHARES HELD
19	1	100	Shares	980
53	101	500	Shares	12,479
22	501	1,000	Shares	15,620
18	1,001	5,000	Shares	32,498
2	5,001	10,000	Shares	13,328
1	10,001	15,000	Shares	11,143
2	15,001	20,000	Shares	31,245
1	35,001	40,000	Shares	37,836
1	120,001	125,000	Shares	123,668
1	135,001	140,000	Shares	139,817
1	235,001	240,000	Shares	238,821
5	270,001	275,000	Shares	1,352,204
3	350,001	355,000	Shares	1,064,829
1	370,001	375,000	Shares	373,822
1	370,001	375,000	Shares	373,822
2	405,001	410,000	Shares	809,342
1	610,001	615,000	Shares	610,154
1	615,001	620,000	Shares	616,571
1	625,001	630,000	Shares	629,541
1	920,001	925,000	Shares	924,613
1	1,125,001	1,130,000	Shares	1,127,887
1	1,220,001	1,225,000	Shares	1,220,980
1	1,480,001	1,485,000	Shares	1,484,017
1	1,500,001	1,505,000	Shares	1,500,626
2	1,820,001	1,825,000	Shares	3,655,334
1	2,345,001	2,350,000	Shares	2,348,823
151				**18,750,000**

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARE HELD	PERCENTAGE
Directors, Chief Executive Officer & their spouse & minor childern	I0	5,492,519	29.30%
Associated Companies Under takings & related parties:	1	500	0.0027
NIT & ICP	2	38,086	0.20
Banks, Development Financial Institutions, Non-Banking Financial Institutions:	2	13,349	0.07
Joint stock companies:	5	1,219,686	6.51
Insurance companies:	-	-	-
Modarabas & Mutual Funds:	-	-	-
Shareholders Holding 10%	-	-	-
General Public:			
i) Local	131	11,985,860	63.92
ii) Foreign	-		-
Others			
	151	**18,750,000**	**100**

The above two statements include (108) Shareholders holding 1,511,375 Shares through Central Depository Company of Pakistan Limited (CDC)

INFORMATION REQUIRED AS PER CODE OF CORPORATE GOVERNANCE

As At June 30, 2022

SHARE HOLDER'S CATEGORY	Number of Shares Held	Percentage of Shareholding
i) Associated Companies, undertaking & related parties(name wise details):		
-Roomi Enterprises (Pvt) Limited	500	
ii) Mutual Funds(Name wise details):	38,086	0.20%
- NIT & ICP		
iii) Directors,Chief Executive and their spouse(s) and minor children(name wise details):		
1- Khawaja Muhammad Iqbal, Director & Chief Executive	1,803,398	
Mst.Khadija Qureshi (Spouse)	123,668	
2- Khawaja Muhammad Ilyas,Director	291,452	
3. Mst. Farrah Ilyas, Female Director	1,000	
4- Khawaja Muhammad Younus,Director	2,236,596	
Mst.Rubina Wadood (Spouse)	139,817	
5- Khawaja Muhammad Muzaffar Iqbal, Director	519,541	
6- Khawaja Muhammad Anees, Director	373,822	
7- Mr. Abdul Rehman Qureshi, Independent Director	3,125	
8. Mr. Muhammad Asghar,Independent Director	100	
	5,492,519	**29.30%**
iv) Banks, Development Financial Institutions, Non-Banking Financial Institutions:		
- National Bank of Pakistan	13,349	0.07%
v) Joint Stock Companies:		
- CDC-Trustee National Investment(Unit)Trust	131,578	
- Crescent Group Service(Pvt) Limited	2,401	
- Roomi Fabrics Limited	601,652	
- Roomi Holdings(Pvt) Limited	378,755	
Masood Holdings (Pvt) Limited	105,300	
	1,219,686	6.51
vi) General Public:		
i) Local:	**11,985,860**	63.92%
ii) Foreign:	**-**	
Total:	**18,750,000**	100%

The above two statements include (117) Shareholders holding 1,526,265 Shares through Central Depository Company of Pakistan Limitd (CDC)

DIRECTORS ATTENDANCE AT BOARD MEETINGS

From July 1st 2021 to June 30, 2022

Sr. No.	Name	Designation	Meeting Held	Meeting Attended
1.	Khawaja Muhammad Iqbal	CEO	5	5
2.	Khawaja Muhammad Ilyas	Chairman	5	5
3.	Khawaja Muhammad Younus	Director	5	5
4.	Khawaja Muhammad Muzaffar Iqbal	Director	5	5
5.	Khawaja Muhammad Anees	Director	5	5
6.	Mr. Abdul Rehman Qureshi	Independent Director	5	5
7.	Mr. Muhammad Asghar	Independent Director	5	5
8.	Mrs. Farah Ilyas	Female Directer	5	5

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

03

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mahmood Textile Mills Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

ShineWing Hameed Chaudhri & Co.
Chartered Accountants.

Date: 29th September, 2022
UDIN: CR202210162xcPrCEUz0

Multan

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of Mahmood Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1.	Revenue	
	Refer note 27 to the financial statements relating to revenue, the Company is engaged in production and sale of yarn, cloth and apparel and has recognized net revenue of Rs. 40,969 million for the year ended June 30, 2022. During the year, the new apparel unit of the Company has started its commercial operations and generates revenue of Rs. 713.266 million. The Company generates revenue from export and local sale of yarn, fabric, waste and apparel. Revenue from sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring the promised goods to the customers. Revenue recognition criteria have been explained in note 4.22 to the financial statements.	Our audit procedures included the following: We obtained an understanding of design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period and based on stated accounting policy; We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; We compared on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized on the basis of transfer of control of goods to the customer in line with the accounting policy adopted and may not have been recognized in the appropriate period.	– We checked on a sample basis the recorded sales transactions with underlying supporting documents; and – We further assessed the adequacy of related disclosures in the financial statements.
2.	**Scheme of arrangement for group restructuring / reconstruction**	
	Refer note 7 to the financial statements relating to long term investments, the scheme of arrangement for Reconstruction and re-arrangement of Mahmood Group was approved by the shareholders of the group companies on May 31, 2022 which was later approved by the Honorable Lahore High Court, Multan Bench on July 01, 2022. The principal objective of the scheme, formulated pursuant to the provision of section 279 to 282 of the Companies Act, 2017 is to provide for the re-arrangement and reconstruction of Mahmood Group into 2 separate Groups. According to the scheme, the investment of the Company in Roomi Fabrics Limited (RFL) has been swapped with the investment in Masood Spinning Mills Limited (MSML). As per the swap ratio, 4,000,000 shares of RFL have been swapped with 4,921,692 shares of MSML in swap ratio of 1.2304. The applicability of scheme resulted in increase in investment in MSML from 13.32% to 29.71% and elimination of investment in RFL with effect from July 01, 2021.	Our audit procedures included the following: – Our audit procedures included the following: We obtained and reviewed the scheme of arrangement duly approved by the shareholders along with the Copy of order of Honorable Lahore High Court; – We obtained and reviewed the copy of certificate of swap ratio issued by a Firm of Chartered Accountants; – We obtained key documents relating to approval of the scheme including the NOCs from the creditors and approval from Competition Commission of Pakistan regarding restructuring and reconstruction of Mahmood Group; – We obtained other related documents including notices and minutes of meetings of the Board of Directors and EOGM; – We checked that the accounting adjustment incorporated by the Company in the financial statements relating to the scheme of arrangement are in accordance with the applicable laws and International accounting standards / International Financial Reporting Standards; and – We further assessed the adequacy of related disclosures in the financial statements.
Sr. No.	**Key Audit Matters**	**How the matter was addressed in our audit**
3.	**Capital expenditure**	
	We refer to note 5 to the financial statements relating to property, plant & equipment. The Company has incurred significant amounts of capital expenditure during the year mainly due to construction of new apparel unit and expansion in spinning unit of the Company. We have identified this as a key audit matter since these represent significant transactions for the year and we needed to ascertain whether the amounts recorded vide capitalization of costs matched with the capitalization criteria as per accounting policy of the Company and were in line with the applicable financial reporting standards.	Our audit procedures included the following: – We obtained understanding of the Company's process with respect to the incurring and recording of capital expenditure; – We obtained an understanding of design and operating effectiveness of internal controls relevant to such process; – We reviewed the break-up of cost element of capitalization recorded in books of account and evaluated the suitability of recording; – We reviewed the selected contracts and underlying supporting documents of various elements of the capitalized cost; and – We further assessed the adequacy of related disclosures in the financial statements.

4.	Borrowings	
	Refer to note 18 and 23 to the financial statements relating to long term financing and short term borrowings, the Company has significant amount of long term financing and short term borrowings from various commercial Banks amounting to Rs. 7,913 billion and Rs. 13.432 billion (including current portion of long term financing) respectively being 78.64% of total liabilities, as at the reporting date. Given the significant level of borrowings and related finance costs, along with compliance with various loan covenants, this is considered to be a key audit matter.	Our audit procedures included the following: – We reviewed the loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level; – We verified the disbursements and repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made; – We assessed the procedures designed by management to comply with the debt covenants and performed covenant testing on sample basis; – We obtained confirmation from Banks of the Company to confirm balances, terms & conditions stated in the facility offer letter and compliance thereof; – We performed analytical procedures, recalculations and other related procedures for verification of finance costs; – We ensured that the outstanding liabilities have been properly classified and terms of the financing have been adequately disclosed in the financial statements; and – We further assessed the adequacy of related disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Talat Javed.

ShineWing Hameed Chaudhri & Co.
Chartered Accountants
Multan

Date: 29th September, 2022
UDIN: AR202210162tLYBnF5oX

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	13,938,791,211	9,697,357,253
Intangible asset	6	6,923,021	-
Long term investments	7	5,114,375,783	4,610,296,183
Long term deposits	8	53,425,459	25,015,991
		19,113,515,474	14,332,669,427
Current assets			
Stores, spares and loose tools	9	394,641,552	424,157,383
Stock in trade	10	11,638,417,719	7,819,940,634
Trade debts	11	6,281,030,886	2,649,519,841
Loans and advances	12	702,190,915	266,004,529
Other receivables	13	163,147,940	299,368,361
Short term investments	14	324,774,381	310,890,723
Tax refunds due from the Government	15	1,128,486,383	624,605,970
Cash and bank balances	16	46,905,744	97,604,558
		20,679,595,520	12,492,091,999
TOTAL ASSETS		**39,793,110,994**	**26,824,761,426**
EQUITY AND LIABILITIES			
Equity			
Authorized share capital			
30,000,000 ordinary shares of Rs.10 each		300,000,000	300,000,000
Issued, subscribed and paid-up share capital	17	187,500,000	187,500,000
Capital reserves:			
Capital reserve		7,120,600	7,120,600
Surplus on revaluation of property, plant and equipment		2,529,956,267	2,653,328,652
Fair value gain / (loss) on long term investment		-	15,650,000
Revenue reserve - Unappropriated profit		9,926,512,816	7,074,367,128
		12,651,089,683	9,937,966,380
Liabilities			
Non-current liabilities			
Long term financing	18	7,961,524,634	5,833,994,499
Lease liabilities	19	25,224,449	12,686,893
Deferred liabilities	20	558,445,492	387,834,550
Current liabilities			
Trade and other payables	21	4,126,396,054	1,771,221,349
Unclaimed dividends		3,051,775	2,385,830
Accrued mark-up	22	483,435,874	274,851,819
Short term borrowings	23	12,211,809,855	7,300,515,179
Current maturity of long term liabilities	24	1,177,961,657	983,304,927
Taxation	25	594,171,521	320,000,000
		18,596,826,736	10,652,279,104
Total liabilities		27,142,021,311	16,886,795,046
TOTAL EQUITY AND LIABILITIES		**39,793,110,994**	**26,824,761,426**
Contingencies and commitments	26		

The annexed notes form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Kh. Muhammad Ilyas	**Kh. Muhammad Iqbal**	**Kh. Muhammad Younus**	**Yasir Ghaffar**
Chairman	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Sales - net	27	40,969,325,542	27,934,497,779
Cost of sales	28	(33,538,191,582)	(24,121,441,821)
Gross profit		7,431,133,960	3,813,055,958
Distribution cost	29	(1,352,855,827)	(703,274,288)
Administrative expenses	30	(1,117,950,979)	(608,238,545)
Other income	31	176,701,092	366,333,766
Other expenses	32	(355,666,896)	(162,091,249)
Profit from operations		4,781,361,350	2,705,785,642
Finance cost	33	(1,783,657,818)	(1,257,782,753)
		2,997,703,532	1,448,002,889
Share of profit of associates	7	964,673,540	427,292,596
Profit before taxation		3,962,377,071	1,875,295,485
Taxation	34	(784,181,768)	(534,692,148)
Profit after taxation		**3,178,195,303**	**1,340,603,337**
Earnings per share	35	169.50	71.50

The annexed notes form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Kh. Muhammad Ilyas	**Kh. Muhammad Iqbal**	**Kh. Muhammad Younus**	**Yasir Ghaffar**
Chairman	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Profit after taxation		3,178,195,303	1,340,603,337
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Share of other comprehensive income of associate		-	(947,635)
Equity investment at FVTOCI - net change in fair value	7.4	(281,922,000)	20,000,000
Related deferred tax	20.1	4,350,000	(4,350,000)
		(277,572,000)	15,650,000
Total comprehensive income for the year		**2,900,623,303**	**1,355,305,702**

The annexed notes form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Kh. Muhammad Ilyas	**Kh. Muhammad Iqbal**	**Kh. Muhammad Younus**	**Yasir Ghaffar**
Chairman	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserves: Capital reserve	Capital reserves: Surplus on revaluation of property, plant and equipment	Capital reserves: Fair value gain/ (loss) on long term investment	Revenue reserve: Unappropriated profit	Total
	Rupees					
Balance as at June 30, 2020	187,500,000	7,120,600	2,791,356,716	-	5,596,683,362	8,582,660,678
Total Comprehensive income for the year						
Profit for the year	-	-	-	-	1,340,603,337	1,340,603,337
Other comprehensive income for the year	-	-	(947,635)	15,650,000	-	14,702,365
	-	-	(947,635)	15,650,000	1,340,603,337	1,355,305,702
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(137,080,429)	-	137,080,429	-
Balance as at June 30, 2021	187,500,000	7,120,600	2,653,328,652	15,650,000	7,074,367,128	9,937,966,380
Total Comprehensive income for the year						
Transactions with the owners						
100 % cash dividend for the year ended June 30, 2021	-	-	-	-	(187,500,000)	(187,500,000)
Profit for the year	-	-	-	-	3,178,195,303	3,178,195,303
Other comprehensive loss for the year	-	-	-	(277,572,000)	-	(277,572,000)
	-	-	-	(277,572,000)	3,178,195,303	2,900,623,303
Reclassification adjustment on account of deemed disposal due to approval of scheme of arrangement	-	-	-	261,922,000	(261,922,000)	-
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation	-	-	(123,372,385)	-	123,372,385	-
Balance as at June 30, 2022	**187,500,000**	**7,120,600**	**2,529,956,267**	**-**	**9,926,512,816**	**12,651,089,683**

The annexed notes form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Kh. Muhammad Ilyas	**Kh. Muhammad Iqbal**	**Kh. Muhammad Younus**	**Yasir Ghaffar**
Chairman	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Cash flows from operating activities		
Profit for the year - before taxation and share of profit of associates	2,997,703,532	1,448,002,889
Adjustments for non-cash charges and other items:		
Depreciation	891,532,375	733,073,982
Amortization	177,513	
Gain on disposal of operating fixed assets - net	(1,764,471)	(1,934,092)
Fair value loss on re-measurement of short term investments	95,835,698	3,551,581
(Gain) / loss on sale of short term investments	(8,145,447)	26,926,529
Fair value gain on long term investments	-	(192,728,029)
Dividend income and markup on TFC's	(36,089,340)	(127,164,596)
Government grant income	(32,780,005)	(27,918,719)
Finance cost	1,783,657,818	1,257,782,753
Profit before working capital changes	5,690,127,672	3,119,592,298
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	29,515,831	(192,277,996)
Stock in trade	(3,818,477,085)	(760,723,700)
Trade debts	(3,631,511,045)	453,108,186
Loans and advances	(436,186,386)	(82,633,220)
Other receivables	136,220,421	416,236,560
Sales tax refunds	(411,354,831)	108,362,574
Increase in trade and other payables	2,332,868,609	71,014,870
	(5,798,924,486)	13,087,274
Cash generated from operations	(108,796,814)	3,132,679,572
Income tax paid	(405,268,791)	(387,459,505)
Net cash (used in) / generated from operating activities	(514,065,605)	2,745,220,067
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,220,128,460)	(1,886,149,880)
Purchase of intangible asset	(7,100,534)	
Sale proceeds of operating fixed assets	88,926,598	38,947,661
Short term investments - net	(101,573,909)	383,972,602
Long term deposits	(28,409,468)	(15,035,110)
Dividends and profit on TFC's	214,761,280	345,503,841
Net cash used in investing activities	(5,053,524,493)	(1,132,760,886)
Cash flows from financing activities		
Long term financing - net	2,351,128,019	1,164,748,396
Lease liabilities	16,376,407	15,098,902
Dividend paid	(186,834,055)	(52,700)
Short term borrowings - net	4,911,294,676	(1,463,258,203)
Finance cost paid	(1,575,073,763)	(1,276,436,844)
Net cash generated from / (used in) financing activities	5,516,891,284	(1,559,900,449)
Net (decrease) / increase in cash and cash equivalents	(50,698,813)	52,558,732
Cash and cash equivalents - at beginning of the year	97,604,558	45,045,826
Cash and cash equivalents - at end of the year	**46,905,744**	**97,604,558**

The annexed notes form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Kh. Muhammad Ilyas	**Kh. Muhammad Iqbal**	**Kh. Muhammad Younus**	**Yasir Ghaffar**
Chairman	Chief Executive Officer	Director	Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND OPERATIONS

Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in manufacture and sale of yarn and grey cloth and apparel / garments.

Geographical location and addresses of business unit / mills:

Registered office / Head office

Mehr Manzil, Lohari Gate, Multan

Regional Office

2nd floor, Cotton Exchange Building, I.I. Chundrigarh Road, Karachi

Mills

- Mahmoodabad, Multan Road, Muzaffargarh
- Masoodabad, D.G. Khan Road, Muzaffargarh
- Chowk Sarwar Shaheed, District Muzaffargarh
- Industrial Estate, Multan

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except disclosed otherwise in the accounting policy notes.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest Rupee unless otherwise stated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below:

(a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

(b) Stores & spares and stock-in-trade

The Company estimates the net realizable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make sale.

(c) Income taxes

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

2.5 No critical judgment has been used in applying the accounting policies.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following amendments to existing standards have been published that are applicable to the Company’s financial statements covering annual periods, beginning on or after the following dates:

3.1 New accounting standards / amendments to approved accounting standards for current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2021.

(a) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors. The amendment has no impact on the Company's financial statements.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the IFRSs and interpretations that are mandatory for companies having accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company’s operations and are, therefore, not detailed in these financial statements, except for the following:

(a) Amendment to IAS 1 is effective for period beginning on January 01, 2023. Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Company's financial statements.

The Company has assessed that the impact of these amendments is not expected to be significant.

(b) Amendment to IAS 16 'Property, plant and equipment' is effective from January 01, 2022 prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss. The amendment applies retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendment.

(c) Amendments to IAS 37 is effective from January 01, 2022.Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Property, plant and equipment except leasehold land, freehold land, buildings on freehold land, buildings on leasehold land, and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any.

Leasehold land and freehold land are stated at revalued amount being the fair value at the date of revaluation.

Buildings on freehold land and buildings on leasehold lands are stated at revalued amount being the fair value at the date of revaluation, less accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date. Any revaluation increase arising on

the revaluation of such asset is recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation is transferred directly to unappropriated profit.

Depreciation is taken to statement of profit or loss applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 5.1. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to statement of profit or loss. Major improvements and modifications are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

Capital work in progress is stated at cost less any recognized impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

4.2 Government grants

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan is recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The entity considers the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

4.3 Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated over the lease term on the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

4.4 Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.5 Investments in Associated Companies

Investments in Associated Companies are accounted for by using equity basis of accounting, under which the investments in Associated Companies are initially recognized at cost and the carrying amounts are increased or decreased to recognize the Company's share of profit or loss of the Associated Companies after the date of acquisition. The Company's share of profit or loss and other comprehensive income of the Associated Companies is recognized in the Company's statement of profit or loss and other comprehensive income respectively. Distributions received from Associated Companies reduce the carrying amount of investments.

The carrying amount of investments is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognized in statement of profit or loss.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realizable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the reporting date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

4.7 Stock-in-trade

Basis of valuation are as follows:

Particulars	Mode of valuation
Raw materials:	
- At mills	- At lower of annual average cost of both local and imported stocks and net realizable value.
- In transit	- At cost accumulated upto the reporting date.
Work-in-process	- At manufacturing cost.
Finished goods	- At lower of cost and net realizable value.
Waste	- At net realizable value.

- Cost in relation to work-in-process and finished goods consists of prime cost and appropriate production overheads. Prime cost is allocated on the basis of annual average cost.
- Provision for obsolete and slow moving stock-in-trade is determined based on the management's assessment regarding their future usability.
- Net realizable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

4.8 Trade debts and other receivables

Trade debts are initially recognized at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less loss allowance, if any.

The Company always measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Trade debts and other receivables considered irrecoverable are written off.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances with banks.

4.10 Borrowings and borrowing cost

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest method.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

4.11 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its eligible employees. Provision is made annually to cover obligation under the scheme. The payable balance of gratuity is fully paid to the employees on annual basis.

4.12 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Taxation

(a) Current

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

(b) Deferred

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognized for taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is charged or credited to the statement of profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

4.15 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the period in which these are approved.

4.16 Intangible asset

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged so as to allocate the cost of assets over their estimated useful lives, using the reducing balance method at the rate specified in note 6 to the financial statements.

Amortisation on additions is charged from the month the assets are put to use while no amortisation is charged in the month in which the assets are disposed-off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

4.17 Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

a) Initial recognition and measurement of financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

i) Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1).

For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm’s length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

- **Fair value through other comprehensive income (FVTOCI)**

  Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

  Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

- **Fair value through profit or loss (FVTPL)**

  Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

  Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

ii) Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the assets and the cash flows characteristics of the assets. Three categories in which the Company classifies its debt instruments are:

- **Amortized cost**

  Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI.

- **Fair value through profit or loss (FVTPL)**

  Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL.

  Gains and losses arising on debt instrument measured at amortized cost and as FVTPL are recognized in profit or loss. Interest calculated under effective interest method, dividend, impairment and foreign exchange gains and losses on these debt instrument are also recognized in profit or loss. Gains and losses from changes in fair value of debt instruments measured as FVTOCI are recognized in other comprehensive income and are reclassified to profit or loss on derecognition or reclassification.

b) Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.18 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

4.19 Impairment of financial assets

The Company recognizes a loss allowance for ECL on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a) The financial instrument has a low risk of default,

b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and

c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily; reduce the ability of the borrower to fulfil its contractual cash flow obligations.

ii) Definition of default

The Company employs statistical models to analyze the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event (see (ii) above);

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial re-organization; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

4.20 Off-setting

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.21 Foreign currency translations

Foreign currency transactions are recorded in Pak Rupees using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to statement of profit or loss.

4.22 Revenue recognition

The Company policy for revenue recognition under different contracts with customers stands amended as follows:

Sale of Goods

The Company sold its products in separately identifiable contacts. The contracts entered into with the customers generally includes one performance obligation i.e. the provision of goods to the customer.

Revenue from local sale of goods is recognized when the Company satisfies a performance obligation under a contract by transferring promised goods to the customer. Goods are considered to be transferred at the point in time when the customer obtains control over the goods (i.e. on dispatch of goods from the mills to the customer). Revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port.

Rendering of Services

Revenue from contracts for provision of the services is recognized at the point in time when the processed goods are dispatched from the mills to the customer.

Export rebate

Export rebate income is recognized on accrual basis as and when the right to receive the income establishes.

- **Return on Bank deposits**

Return on bank deposits / interest income is recognized using applicable effective interest rate method. Income is accrued as and when the right to receive the income is established.

4.23 Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.24 Segment reporting

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Chief Operating Decision Maker of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products being produced and sold, the Company has been organized into three operating segments i.e. spinning, weaving and apparel.

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Finance cost, other income and expenses and taxation are managed at the Company level. Unallocated assets mainly include long term investments, long term deposits, tax refunds due from the Government and cash & bank balances.

		Note	2022 Rupees	2021 Rupees
5.	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	5.1	11,324,235,577	8,139,587,130
	Capital work-in-progress:			
	- Advance for purchase of land		71,500,000	-
	- Buildings		579,947,143	604,899,942
	- Advance for purchase of vehicles		108,749,801	77,355,796
	- Plant and machinery		1,854,358,690	875,514,385
			2,614,555,634	1,557,770,123
			13,938,791,211	9,697,357,253

5.2 Leasehold land and buildings on leasehold land represent the leased assets allotted by the Board of Management, Industrial Estate, Multan for a period of 99 years.

5.3 Freehold land of the Company is located at District Muzaffargarh with area of 530 Kanal 19 Marlas and leasehold land of the Company is located at Industrial Estate, Multan with area of 131 Kanal and 5 Marlas.

5.4 The revaluation of leasehold land, freehold land, buildings on freehold land and buildings on leasehold land has been carried out by M/S K. G. Traders (Private) Limited as at June 30, 2019 on the basis of market value, which resulted in revaluation surplus of Rs. 2,886.62 millions.

5.5 Had there been no revaluation the related figures of leasehold land, freehold land, buildings on freehold land and buildings on leasehold land as at June 30, 2022 would have been as follows:

	Cost	Accumulated depreciation	Net book value
		---Rupees---	
Leasehold land	20,755,743	-	20,755,743
Freehold land	229,637,207	-	229,637,207
Buildings on freehold land	1,680,070,844	546,050,361	1,134,020,483
Buildings on leasehold land	752,866,501	257,477,588	495,388,913
	2,683,330,295	**803,527,949**	**1,879,802,346**

5.6 Forced sale values of leasehold land, freehold land, buildings on freehold land and buildings on leasehold land as per latest revaluation report were Rs. 295.820 million, Rs. 856.360 million, Rs. 1,267.474 million and Rs. 651.485 million respectively.

Particulars of assets	Cost	Accumulated depreciation	Book value	Sale proceeds / insurance claim	Gain/(Loss)	Sold through negotiation to / insurance claim received from
	------------	------------	Rupees	------------	------------	
Items with individual net book value exceeding Rs. 500,000 each						
Vehicles						
Toyota Corolla Gli	2,198,158	1,146,794	1,051,364	1,400,000	348,636	Ubl Insurers Limited
Toyota Camry	3,188,644	2,028,490	1,160,154	1,500,000	339,846	Ubl Insurers Limited
MG	5,656,262	282,813	5,373,449	5,650,000	276,551	Qadir Agro Industries (Pvt) Ltd
Toyota Fortuner	5,508,712	3,508,065	2,000,647	2,500,000	499,353	Roomi Fabrics Limited
Suzuki Swift	1,216,250	713,403	502,847	600,000	97,153	Roomi Fabrics Limited
Hyundai Starex	6,007,084	775,915	5,231,169	5,798,000	566,831	Hassan Ali
Porsche Hybrid	14,543,481	12,342,067	2,201,414	3,000,000	798,586	Masood Fabrics Limited
Honda Civic	3,129,400	2,132,443	996,957	1,250,000	253,043	Control Union Pakistan (Pvt) Ltd
Toyota Fortuner	5,845,500	3,467,810	2,377,690	2,000,000	(377,690)	Muhammad Waheed
Hilux Rivo	5,428,500	2,822,820	2,605,680	4,200,000	1,594,320	Control Union Pakistan (Pvt) Ltd
Toyota Fortuner	9,786,262	326,209	9,460,053	9,800,000	339,947	Muhammad Dawood Khan
Toyota Fortuner	7,861,727	3,719,121	4,142,606	4,225,000	82,394	Ali Khan
Toyota Corolla Altis	3,750,122	437,514	3,312,608	3,430,000	117,392	Sardar Yousuf Gurchani
Toyota Vitz	2,876,887	605,744	2,271,143	2,630,000	358,857	Muhammad Kashif Sharif
Kia Grand Carnival	10,001,422	1,166,833	8,834,589	9,000,000	165,411	Shazia Saqib
Suzuki Cultus	1,564,400	787,623	776,777	787,049	10,272	Muhammad Bakhsh
	88,562,811	36,263,664	52,299,147	57,770,049	5,470,901	
Plant and Machinery						
Ring Frame K-44 Spindles	23,237,143	17,675,932	5,561,211	4,750,000	(811,211)	Muhammad Waheed
Schalafhoirst Autocone	11,636,200	9,360,823	2,275,377	1,277,979	(997,398)	Pt Pun Utama Indonesia
Ring Frame K-44 Spindles	23,237,143	17,724,290	5,512,853	4,000,000	(1,512,853)	Pt Pun Utama Indonesia
Ring Frame K-44 Spindles	22,460,601	17,831,305	4,629,296	2,100,000	(2,529,296)	Ubl Insurers Limited
Ring Frame K-44 Spindles	22,460,601	17,912,521	4,548,081	3,354,167	(1,193,914)	Malik Hafeez Faisalabad
Ring Frame K-44 Spindles	44,921,203	36,068,689	8,852,514	8,731,667	(120,847)	Malik Hafeez Faisalabad
Yarn Steaming Machines	5,475,259	4,596,141	879,118	875,000	(4,116)	Malik Hafeez Faisalabad
	153,428,151	121,169,701	32,258,450	25,088,812	(7,169,636)	
Aggregate value of assets having individual book value not exceeding Rs. 500,000 each	17,442,433	14,837,901	2,604,532	6,067,737	3,463,205	
2022	**259,433,395**	**172,271,268**	**87,162,129**	**88,926,598**	**1,764,471**	
2021	58,213,007	21,199,439	37,013,568	38,947,660	1,934,092	

5.8 Depreciation for the year has been	**Note**	**2022 Rupees**	**2021 Rupees**
apportioned as under:			
Cost of sales	28	798,884,931	689,267,913
Administrative expenses	30	92,647,444	43,806,069
		891,532,375	733,073,982

5.9 During the year, the Company has capitalized the borrowing cost amounting 21.550 million (2021: Rs. 16.216 million) at the rates ranged from 5% to 17.63% (2021: 5% to 9.88% per annum).

5.1 Operating Fixed Assets

Particulars	Right of use assets (Vehicles)	Owned															Total
		Leasehold land	Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Stand-by equipment / Generators	Furniture and fittings	Vehicles	Office equipment	Protective dam	Electric installations	Gas installations	Tools and equipment	Computer and accessories	Weighing bridge	
	Rupees																
Cost																	
Balance as at June 30, 2020	-	369,776,000	1,070,450,000	2,047,284,123	902,525,544	7,359,524,087	877,056,772	29,491,965	299,941,780	3,401,248	10,715,778	549,512,623	6,864,269	21,693,803	36,168,720	4,699,872	13,589,106,584
Additions during the year	14,933,763	-	-	2,724,164	24,506,589	71,238,677	-	8,555,912	127,923,098	-	-	196,542,229	-	-	8,050,408	-	454,474,840
Disposals during the year	-	-	-	-			-	-	(58,213,007)	-	-	-	-	-	-	-	(58,213,007)
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2021	**14,933,763**	**369,776,000**	**1,070,450,000**	**2,050,008,287**	**927,032,133**	**7,430,762,764**	**877,056,772**	**38,047,877**	**369,651,871**	**3,401,248**	**10,715,778**	**746,054,852**	**6,864,269**	**21,693,803**	**44,219,128**	**4,699,872**	**13,985,368,417**
Balance as at June 30, 2021	14,933,763	369,776,000	1,070,450,000	2,050,008,287	927,032,133	7,430,762,764	877,056,772	38,047,877	369,651,871	3,401,248	10,715,778	746,054,852	6,864,269	21,693,803	44,219,128	4,699,872	13,985,368,417
Additions during the year	15,490,820	-	84,295,959	77,101,119	991,290,578	2,020,148,174	-	57,272,408	250,816,273	2,961,128	-	575,585,765	20,120	3,680,927	84,679,678	-	4,163,342,949
Disposals during the year	-	-	-	-		(153,428,151)	-	-	(106,005,244)	-	-	-	-	-	-	-	(259,433,395)
Balance as at June 30, 2022	**30,424,583**	**369,776,000**	**1,154,745,959**	**2,127,109,406**	**1,918,322,711**	**9,297,482,787**	**877,056,772**	**95,320,285**	**514,462,900**	**6,362,376**	**10,715,778**	**1,321,640,617**	**6,884,389**	**25,374,730**	**128,898,806**	**4,699,872**	**17,889,277,971**
Depreciation																	
Balance as at June 30, 2020	-	-	-	601,946,708	167,360,238	3,414,757,435	531,695,284	11,378,974	140,716,886	3,034,134	4,688,371	210,657,715	3,151,694	9,822,935	31,114,793	3,581,576	5,133,906,743
Charge for the year	1,640,343	-	-	144,721,038	74,363,352	397,429,527	34,536,149	2,094,969	37,264,199	36,711	301,370	36,246,304	371,257	1,187,087	2,769,847	111,829	733,073,980
Charge on disposals	-	-	-	-	-	-	-	-	(21,199,438)	-	-	-	-	-	-	-	(21,199,438)
Balance as at June 30, 2021	**1,640,343**	**-**	**-**	**746,667,746**	**241,723,590**	**3,812,186,962**	**566,231,433**	**13,473,943**	**156,781,647**	**3,070,845**	**4,989,741**	**246,904,019**	**3,522,951**	**11,010,022**	**33,884,640**	**3,693,405**	**5,845,781,285**
Balance as at June 30, 2021	1,640,343	-	-	746,667,746	241,723,590	3,812,186,962	566,231,433	13,473,943	156,781,647	3,070,845	4,989,741	246,904,019	3,522,950	11,010,022	33,884,640	3,693,405	5,845,781,285
Charge for the year	4,157,029			156,148,273	71,752,741	459,328,278	31,082,534	5,333,770	65,560,770	181,330	286,302	78,647,430	335,976	1,209,606	17,407,689	100,647	891,532,375
Charge on disposals	-	-	-	-	-	(121,169,702)	-	-	(51,101,566)	-	-	-	-	-	-	-	(172,271,268)
Balance as at June 30, 2022	**5,797,372**	**-**	**-**	**902,816,019**	**313,476,331**	**4,150,345,538**	**597,313,967**	**18,807,713**	**171,240,851**	**3,252,175**	**5,276,043**	**325,551,449**	**3,858,927**	**12,219,628**	**51,292,329**	**3,794,052**	**6,565,042,394**
Book value as at June 30, 2021	**13,293,420**	**369,776,000**	**1,070,450,000**	**1,303,340,541**	**685,308,543**	**3,618,575,802**	**310,825,339**	**24,573,934**	**212,870,224**	**330,403**	**5,726,037**	**499,150,833**	**3,341,318**	**10,683,781**	**10,334,488**	**1,006,467**	**8,139,587,130**
Book value as at June 30, 2022	**24,627,211**	**369,776,000**	**1,154,745,959**	**1,224,293,387**	**1,604,846,380**	**5,147,137,249**	**279,742,805**	**76,512,572**	**343,222,049**	**3,110,201**	**5,439,735**	**996,089,168**	**3,025,462**	**13,155,102**	**77,606,477**	**905,820**	**11,324,235,577**
Annual depreciation rate (%)	20	-	-	10	10	10	10	10	20	10	5	10	10	10	30	10	

6.	INTANGIBLE ASSET	Note	2022 Rupees	2021 Rupees
	Cost			
	Balance as at July 01,		-	-
	Addition during the year	6.1	7,100,534	-
	Balance as at June 30,		7,100,534	-
	Amortization			
	Balance as at July 01,		-	-
	Amortized during the year		177,513	-
	Balance as at June 30,		177,513	-
	Net Book Value as at June 30,		**6,923,021**	**-**

6.1 This represents cost incurred on implementation of Oracle and artificial data intellegence ERP for apparel unit. This has been amortized at the rate of 30% per annum on reducing balance method.

7.	LONG TERM INVESTMENTS	Note	2022 Rupees	2021 Rupees
	Associated Companies - Un-quoted at equity method			
	Masood Spinning Mills Limited (MSML)	7.1	1,830,071,146	455,324,862
	Orient Power Company (Pvt.) Limited (OPCL)	7.3	3,284,304,637	3,114,971,321
			5,114,375,783	3,570,296,183
	At fair value through OCI - Un-quoted			
	Roomi Fabrics Limited (RFL)	7.4	-	1,040,000,000
			5,114,375,783	**4,610,296,183**

7.1	Masood Spinning Mills Limited (MSML)	Note	2022 Rupees	2021 Rupees
	4,000,000 (2021: 4,000,000) ordinary shares of Rs.10 each - cost		40,000,000	40,000,000
	Equity already held: **13.32%** (2021: 13.32%)			
	4,921,692 ordinary shares of Rs. 10 each acquired during the year			
	Equity acquired **16.39%** (2021: nil)	7.1.2	758,078,000	-
			798,078,000	40,000,000
	Post acquisition profits brought forward		415,324,862	326,524,475
			1,213,402,862	366,524,475
	Share of profit for the year		620,668,284	120,008,358
	Dividend received		(4,000,000)	-
	Adjustment based on last year's audited financial statements:			
	- Statement of profit and loss		-	(30,467,533)
	- Statement of other comprehensive income		-	(740,438)
			1,830,071,146	**455,324,862**

7.1.1 MSML was incorporated in Pakistan on July 20, 2000 as a public limited company. It is principally engaged in manufacture and sale of cotton yarn.

7.1.2 During the year the 4,000,000 shares in RFL has been swapped with the 4,921,692 shares in MSM due to approval of scheme of arrangement as detailed in note. 7.5.

7.1.3 The summary of financial information of MSML based on its financial statements for the year ended June 30, is as follows:

	2022 Rupees	2021 Rupees
Summarized Statement of Financial Position		
Non-current assets	7,707,369,998	4,771,125,280
Current assets	14,285,259,329	9,486,219,242
	21,992,629,327	14,257,344,522
Non-current liabilities	3,610,299,976	2,169,234,477
Current liabilities	12,906,158,072	8,670,998,096
	16,516,458,048	10,840,232,573
Net assets	5,476,171,279	3,417,111,949
Reconciliation to carrying amount		
Opening net assets	3,417,111,949	2,516,148,302
Profit for the year	2,089,088,805	900,963,647
Dividend paid	(30,029,475)	
Closing net assets	5,476,171,279	3,417,111,949
Company's share (Percentage)	**29.71%**	**13.32%**
Company's share	1,626,970,487	455,159,312
Miscellaneous adjustments	165,550	165,550
Goodwill	202,935,109	-
Adjustment based on last year's audited financial statements	-	-
	1,830,071,146	455,324,862
Summarized statement of profit or loss		
Sales	24,356,161,330	17,355,254,903
Profit before taxation	2,459,069,649	1,202,645,574
Profit after taxation	2,089,088,805	900,963,647

7.2 Roomi Fabrics Limited (RFL)

Nil (April 30, 2021: 4,000,000) ordinary shares of Rs.10 each - **cost**	-	40,000,000
Equity held: Nil (April 30, 2021: 18.18%)		
Post acquisition profits brought forward	-	735,517,012
	-	775,517,012
Share of profit for the period	-	51,962,156
Share of other comprehensive income for the period	-	(207,197)
	-	827,271,971
Fair value adjustment recognized in profit or loss	-	192,728,029
	-	**1,020,000,000**
Transfer of investment to fair value	-	**(1,020,000,000)**
	-	**-**

7.2.1 The Company had discontinued equity method on its investment in RFL with effect from April 30, 2021, persuant to elimination of common directorship. This investment was measured at fair value with difference in fair value and carrying value of Rs. 192.728 million recognized in the statement of profit or loss during previous year. The Company at the date of transfer of investment had made an irrevocable election to present subsequent changes in fair value in other comprehensive income and classified this investment at fair value through other comprehensive income.

The fair value of investment was determined by an independent valuer and designated at level 3.

7.2.2 RFL was incorporated in Pakistan on May 20, 2002 as a public company limited by shares. It is principally engaged in manufacture and sale of yarn and grey cloth.

7.2.3 The summary of financial information of RFL based on its financial statements for the year ended April 30, 2021 is as follows:

Summarized Statement of Financial Position	**Note**	**2022 Rupees**	**2021 Rupees**
Non-current assets		-	6,813,614,021
Current assets		-	15,579,281,733
		-	22,392,895,754
Non-current liabilities		-	2,996,708,664
Current liabilities			14,845,736,203
		-	17,842,444,867
Net assets		-	4,550,450,887
Reconciliation to carrying amount			
Opening net assets		-	4,265,770,145
Profit for the period / year		-	285,820,438
Other comprehensive income for the period		-	(1,139,696)
Closing net assets		-	4,550,450,887
Company's share: nil (April 30, 2021:18.18%)			**827,271,971**
Summarized Statement of profit or loss			
Sales		-	12,961,225,894
Profit before taxation		-	502,524,701
Profit after taxation		-	285,820,438

7.3 Orient Power Company (Pvt.) Limited (OPCL)

	Note	2022 Rupees	2021 Rupees
87,335,969 (2021: 87,335,969) ordinary shares of Rs.10 each	7.3.2	2,485,343,420	2,485,343,420
Equity held **20.967%** (2021: 20.967%)			
Post acquisition profits brought forward		629,627,901	562,177,531
		3,114,971,321	3,047,520,951
Share of profit for the year		344,005,256	250,378,078
Dividend received		(174,671,940)	(218,339,245)
Adjustment based on last year's audited financial statements:			
- Statement of profit or loss		-	35,411,537
		3,284,304,637	**3,114,971,321**

7.3.1 OPCL was incorporated in Pakistan on June 16, 2003 as a private limited company and started its operations on May 24, 2010. It has been established to set up and operate a 212.7 megawatt power generation plant for generation of electricity and onward sale to the power purchaser.

7.3.2 Excess income over cost of investment of Rs. 831.127 million was recognzied at the time of transfer to equity accounting.

7.3.3 The summary of financial information of OPCL based on its financial statements for the year ended June 30, is as follows:

	Note	2022 Rupees	2021 Rupees
Summarized Statement of Financial Position			
Non-current assets		9,000,627,000	9,697,609,739
Current assets		17,969,344,000	16,110,661,311
		26,969,971,000	25,808,271,050
Non-current liabilities		-	37,075,729
Current liabilities		11,305,810,000	10,914,652,557
		11,305,810,000	10,951,728,286
Net assets		**15,664,161,000**	**14,856,542,764**
Reconciliation to carrying amount			
Opening net assets		14,856,542,764	14,703,736,767
Profit for the year		1,640,698,505	1,194,153,088
Dividend paid		(833,080,269)	(1,041,347,091)
Closing net assets		**15,664,161,000**	**14,856,542,764**
Company's share (Percentage)		20.967%	20.967%
Company's share		3,284,304,637	3,114,971,321
		3,284,304,637	**3,114,971,321**
Summarized Statement of Profit or Loss			
Sales		22,374,814,000	11,642,652,454
Profit before taxation		1,640,698,505	1,194,153,088
Profit after taxation		1,640,698,505	1,194,153,088

7.3.4 The Company had acquired 39,842,500, 6,000,000 and 41,493,469 ordinary shares during the years 2011, 2017 and 2019 respectively, resulting in total holding of 87,335,969 ordinary shares.

7.4 Roomi Fabrics Limited (RFL)

	Note	2022	2021
(at fair value through OCI)			
Opening balance		1,040,000,000	-
Transfer during the year	7.2.1	-	1,020,000,000
Fair value (loss) / gain recognized in other comprehensive income		(281,922,000)	20,000,000
Swap of investment during the year due to approval of scheme of arrangement		(758,078,000)	-
		-	**1,040,000,000**

7.5 The scheme of arrangement for group restructuring / re-arrangement was approved by the shareholders in EOGM held on May 31, 2022 which was later approved by the Honorable Lahore High Court dated July 01, 2022. The principal objective of the scheme, formulated persuant to the provison of sections 279 to 282 of the Companies Act, 2017 is to provide for the re-arrangement and re-construction of Mahmood Group into 2 separate Groups, Group A and Group B by:

a) Exchanging shares between Roomi Fabrics Limited and Mahmood Cotton Ginning Pressing and Oil Mills (Pvt.) Ltd.

b) Exchanging shares between Masood Fabrics Limited and the Company.

c) Exchanging shares between Roomi Fabrics Limited and individual shareholders

d) Exchanging shares between Masood Fabrics Limited and individual shareholders

According to the scheme, the investment of the Company in RFL has been swapped with the investment in MSM. As per the swap ratio, 4,000,000 shares of RFL has been swapped with 4,921,692 shares of MSM in swap ratio of 1.2304. The applicability of scheme resulted in increase in investment in MSM from 13.32% to 29.71% and elimination of investment in RFL with effect from July 01, 2021, being the effective date of their swap arrangement.

		Note	2022 Rupees	2021 Rupees
8.	**LONG TERM DEPOSITS**			
	Opening balance		25,015,991	9,980,881
	Deposits paid to MEPCO		28,409,468	15,035,110
			53,425,459	**25,015,991**
9.	**STORES, SPARES AND LOOSE TOOLS**			
	Stores including in-transit inventory valuing Rs.62.425 million (2021: Rs. 20.915 million)		381,166,478	413,659,443
	Spares		12,622,337	9,425,431
	Loose tools		852,737	1,072,509
			394,641,552	**424,157,383**

9.1 Stores and spares include items which may result in fixed capital expenditurebut are not distinguishable.

		Note	2022 Rupees	2021 Rupees
10.	**STOCK IN TRADE**			
	Raw materials including in-transit inventory valuing Rs. 3,000.103 million (2021: Rs. 737.871 million)		9,211,846,436	6,629,381,592
	Work-in-process		536,583,794	215,687,450
	Finished goods		1,889,987,489	974,871,592
			11,638,417,719	**7,819,940,634**
11.	**TRADE DEBTS**			
	Unsecured - considered good			
	- local		3,878,113,112	2,009,739,678
	Secured			
	- local	11.2	416,353,054	132,934,112
	- export		1,986,564,720	506,846,051
			2,402,917,774	639,780,163
			6,281,030,886	**2,649,519,841**

11.1 This includes nill (2021:399.338 million) due from Masood Fabrics Limited. Maximum aggregate amount outstanding during the year is nil (2021: 688.261 million). This balance is not either past due or impaired.

11.2 These trade debts are secured against letters of credit issued by customers in favour of the Company.

		Note	2022 Rupees	2021 Rupees
12.	**LOANS AND ADVANCES**			
	Advances to:			
	- Key management personnel		2,161,740	4,893,191
	- employees		15,510,960	11,564,827
	- suppliers and contractors		384,042,584	173,090,227
	Advances for purchase of TFS,s	12.1	164,660,977	-
	Deposit with Sui Northern Gas Pipelines Ltd.	26.2	75,221,140	75,221,140
	Letters of credit		60,593,514	1,235,144
			702,190,915	**266,004,529**

12.1 These represents advances for purchase of 30,000 TFCs having value of Rs. 5,000 each and 150 TFCs having face value of Rs. 100,000 each of Bank Al-Habib Limited and Bank of Punjab respectively.These TFC's shall be listed and the management has the intention to classify these TFCs in short term investments at fair value through profit or loss after issue.

		Note	2022 Rupees	2021 Rupees
13.	**OTHER RECEIVABLES**			
	Cotton claims receivable		55,480,454	23,293,767
	Insurance claims receivable		75,405,778	67,093,526
	Containers' deposits		1,803,112	1,838,967
	Duty drawbacks receivable on export sales		-	198,565,203
	Receivable against shares		262,366	2,030,824
	Others		30,196,230	6,546,074
			163,147,940	**299,368,361**

		Note	2022 Rupees	2021 Rupees
14.	**SHORT TERM INVESTMENTS - Quoted**			
	(at fair value through profit or loss)			
	Equity Instruments			
	Oil & Gas Development Company Limited (OGDCL)			
	1,440,000 (2020: nil) shares of Rs.10 each		-	133,652,387
	MCB Bank Limited (MCB)			
	215,000 (2021: nil) shares of Rs.10 each		32,060,679	-
	Maple Leaf Cement Factory Limited (MLCF)			
	500,000 (2021: nil) shares of Rs.10 each		17,336,606	-
	Pakistan Stock Exchange (PSX)			
	3,000,000 (2021: nil) shares of Rs.10 each		68,913,900	-
	G3 Technologies Limited			
	6,038,000 (2021: nil) shares of Rs.10 each		84,962,509	-
	Telecard Limited			
	2,541,900 (2021: nil) shares of Rs.10 each		41,283,760	-
	United Bank Limited (UBL)			
	122,500 (2021: nil) shares of Rs. 10 each		16,252,625	14,189,917
			260,810,079	147,842,304
	Adjustment on re-measurement to fair value	32	(97,535,698)	3,248,419
			163,274,381	**151,090,723**
	Debt Instrument			
	Habib Bank Limited - TFC's			
	1,700 (2021: 1,700) TFCs		159,800,000	166,600,000
	Adjustment on re-measurement to fair value	32	1,700,000	(6,800,000)
			161,500,000	159,800,000
			324,774,381	**310,890,723**

14.1 Nil (2021: nil) shares are pledged with any commercial bank as security for any finance facility utilized.

15. TAX REFUNDS DUE FROM THE GOVERNMENT	**Note**	**2022 Rupees**	**2021 Rupees**
Income tax refundable, advance tax and tax deducted at source		524,750,522	432,224,940
Sales tax refundable		603,735,861	192,381,030
		1,128,486,383	624,605,970

16. CASH AND BANK BALANCES			
Cash-in-hand		12,139,529	6,696,492
Cash at banks:			
- current accounts		34,623,727	90,774,228
- saving accounts	16.1	142,488	133,838
		34,766,215	90,908,066
		46,905,744	97,604,558

16.1 These carry profit at the rates ranging from 8% to 10% (2021: 4% to 5%) per annum.

17. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022 Number of shares	**2021** Number of shares		**2022 Rupees**	**2021 Rupees**
6,288,800	6,288,800	Ordinary shares of Rs.10 each fully paid in cash	62,888,000	62,888,000
11,000	11,000	Ordinary shares of Rs.10 each issued as fully paid against shares of Mahmood Power Generation Limited upon merger	110,000	110,000
12,450,200	12,450,200	Ordinary shares of Rs.10 each issued as fully paid bonus shares	124,502,000	124,502,000
18,750,000	18,750,000		187,500,000	187,500,000

17.1 Ordinary shares held by the related parties at the reporting date are as follows:	2022	2021
	-- Number of shares --	
Masood Spinning Mills Limited	601,152	568,171
Roomi Enterprises (Private) Limited	500	500
	601,652	568,671

17.2 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All the shares rank equally with regard to the Company's residual assets.

17.3 The Company has one class of ordinary shares, which carries no right to fixed income.

17.4 The Company has no reserved shares for issuance under options and sale contracts.

18. LONG TERM FINANCING - Secured	Note	2022 Rupees	2021 Rupees
From banking companies			
Habib Bank Limited (HBL)	18.1	1,659,996,546	1,566,481,061
MCB Bank Limited (MCB)	18.2	286,921,817	336,917,368
Meezan Bank Limited (MBL)	18.3	284,121,076	243,886,466
United Bank Limited (UBL)	18.4	281,305,312	346,940,250
Allied Bank Limited (ABL)	18.5	469,217,314	542,059,047
Bank Al Habib Limited (BAH)	18.6	750,810,310	510,000,000
National Bank of Pakistan (NBP)	18.7	1,807,124,272	1,968,018,766
Bank Alfalah Limited (BAF)	18.8	1,409,395,680	1,127,088,575
Soneri Bank Limited (SNBL)	18.9	668,000,000	120,000,000
Askari Bank Limited (AKBL)	18.10	454,623,961	35,205,300
Bank of Punjab (BOP)	18.11	711,955,613	-
Balance as at June 30,		8,783,471,900	6,796,596,833
Deferred Government Grant:			
Salary refinance scheme - BAF	18.18	1,262,391	18,290,584
Temporary Economic Refinance Facility			-
Bank Al Habib Limited (BAH)	18.22	192,976,640	-
Bank of Punjab (BOP)	18.22	155,524,499	-
		348,501,139	-
		9,133,235,431	6,814,887,417
Less:			
Current portion grouped under current liabilities:			
- HBL		238,570,764	241,430,041
- MCB		49,999,283	49,990,794
- MBL		49,705,746	59,760,655
- UBL		46,885,044	65,635,011
- ABL		72,841,666	72,841,666
- BAH		63,750,000	63,750,000
- NBP		333,333,334	166,666,667
- BAF		209,162,569	243,789,891
- SBL		106,200,000	-
Deferred Government Grant:			
- BAF		1,262,391	17,028,193
	24	1,171,710,797	980,892,918
		7,961,524,634	**5,833,994,499**

18.1 HBL

Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
Demand Finance - IX	24 quarterly February, 2017	1% Over 3 months KIBOR	2,506,478	4,177,458
Demand Finance - X	28 quarterly March, 2019	0.75% over 3 months KIBOR	642,857,139	785,714,284
Demand Finance - XII	32 quarterly July, 2021	0.50% over 3 months KIBOR	36,288,000	41,472,000
Demand Finance - XIII	29 half-yearly August, 2023	0.75% over 3 months KIBOR	200,081,235	79,179,136
State Bank of Pakistan - Export Oriented Projects				
- Finance No.7	24 quarterly March, 2017	5% flat	2,309,460	3,849,104
- Finance No.8	24 quarterly April, 2017	5% flat	2,787,479	4,380,331
- Finance No.9	24 quarterly September, 2017	3% flat	10,119,200	15,178,800
- Finance No.10	32 quarterly December, 2019	2.50% flat	117,827,884	137,205,466
- Finance No.11	32 quarterly December, 2019	2.50% flat	347,477,514	397,118,010
- Finance No.12	32 quarterly July, 2021	2.50% flat	85,930,500	98,206,472
- Finance No.13	32 quarterly August, 2023	2.50% flat	211,811,657	-
			1,659,996,546	**1,566,481,061**

18.2 MCB

	commencement date			
State Bank of Pakistan - Export Oriented Projects				
Finance No.1	16 half-yearly April, 2019	2.75% flat	286,921,817	336,917,368
			286,921,817	**336,917,368**

18.3 MBL

Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
Diminishing Musharakah - II	12 half-yearly June, 2015	1 % over 6 months KIBOR	-	2,171,010
Diminishing Musharakah - III	12 half-yearly July, 2015	- do -	-	6,865,910
Diminishing Musharakah - IV	12 half-yearly August, 2015	- do -	-	3,654,692
Diminishing Musharakah - V	12 half-yearly August, 2015	- do -	-	919,340
Diminishing Musharakah - VI	12 half-yearly September, 2015	- do -	-	4,637,566
Diminishing Musharakah - VII	12 half-yearly October, 2015	- do -	-	5,224,452
Diminishing Musharakah - VIII	12 half-yearly July, 2016	- do -	2,422,320	4,844,640
Diminishing Musharakah - IX	12 half-yearly July, 2016	- do -	11,917,100	23,834,200
Diminishing Musharakah - X	12 half-yearly August, 2016	- do -	7,806,400	15,612,800
Diminishing Musharakah - XI	12 half-yearly October, 2016	- do -	3,163,880	6,327,762
Diminishing Musharakah - XII	12 half-yearly November, 2016	- do -	5,719,057	11,438,115
Diminishing Musharakah - XIII	12 half-yearly December, 2016	- do -	1,672,989	3,345,979
Diminishing Musharakah - XIV	12 half-yearly January, 2017	- do -	3,006,000	5,010,000
Diminishing Musharakah (IFRE)	40 quarterly August, 2022	5 % Flat	150,000,000	150,000,000
Diminishing Musharakah (ILTFF)	32 quarterly June, 2024	1.50% over 6 months KIBOR	98,413,330	-
			284,121,076	243,886,466

18.4 UBL

Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
State Bank of Pakistan - Export Oriented Projects				
Finance No.17	16 quarterly November, 2017	5% flat	-	18,750,013
Finance No.18	16 half-yearly June, 2020	2.5% flat	281,305,312	328,190,237
			281,305,312	**346,940,250**

18.5 ABL

Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
State Bank of Pakistan - Export Oriented Projects				
Finance 1	16 half-yearly May, 2021	2.5% flat	445,822,842	514,411,039
Finance 2	39 quarterly May, 2021	2.5% flat	23,394,472	27,648,008
			469,217,314	**542,059,047**

18.6 BAH

Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
State Bank of Pakistan - Export Oriented Projects				
Finance 1	16 equal quarterly September, 2021	2.45% flat	446,250,000	510,000,000
LTFF-TERF	16 equal quarterly May, 2024	2.50% Flat	304,560,310	-
			750,810,310	**510,000,000**

18.7 NBP

Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
Demand Finance	12 half-yearly June, 2022	1.50% over 6 months KIBOR	**1,807,124,272**	**1,968,018,766**

	Name of Facility	No. of instalments and repayment commencement date	Rate of mark-up per annum	2022 Rupees	2021 Rupees
18.8	BAF				
	BAF				
	Payroll Refinance Scheme	8 equal quarterly January, 2021	1.00% Flat	129,146,660	372,594,495
	Term Finance	32 equal quarterly March, 2023	2.00% over 6 months KIBOR	-	222,092,719
	LTFF- Solar Loan	32 equal quarterly March, 2023	2.00% over 6 months KIBOR	20,053,900	149,736,000
	LTFF- Solar Loan	32 equal quarterly	5% Flat	279,540,660	-
	LTFF-SBP	32 equal quarterly March, 2023	4 % Flat	980,654,460	382,665,361
				1,409,395,680	**1,127,088,575**
18.9	SNBL				
	TF-Construction Loan	20 equal quarterly December, 2023	0.80% over 3 months KIBOR	668,000,000	120,000,000
				668,000,000	**120,000,000**
18.10	AKBL				
	Term Finance	16 half-yearly December, 2023	2.50% over 6 months KIBOR	303,830,162	35,205,300
	LTFF	16 half-yearly December, 2023	4% Flat	150,793,799	-
				454,623,961	**35,205,300**
18.11	BOP				
	LTFF-TERF	16 Equal Half Yearly July, 2024	3% Flat	244,893,014	-
	Term Finance	16 Equal Half Yearly August, 2024	1.50% over 6 months KIBOR	467,062,599	-
				711,955,613	-

18.12 The Company has obtained Long term finance facilitiy from HBL for the import of machinery for expansion in the spinning capacity. These facilities available from HBL are secured against JPP Charge of Rs. 3,104 million on entire fixed assets on land consisting total area of 366 kanals and 13 marlas, 10.435 Acares and 70 kanal and 3 marlas building and plant & machinery on unit located at Multan Road, Muzaffargarh. D.G khan Road, Muzaffargarh, Chowk sarwar Shaheed and Industrial Estate Multan. During the year Rs. 210.812 million (2021: Rs. 98.206 million) has been converted from DFF to LTFF.(Note 18.1)

18.13 The demand finance facility available from MCB is secured against JPP charge of Rs. 465 million on entire fixed assets on land consisting total area of 366 kanals and 13 marlas, 10.435 Acares and 70 kanal and 3 marlas building and plant & machinery on unit located at Multan Road, Muzaffargarh, D.G Khan Road, Muzaffargarh, Chowk Sarwar Shaheed and Industrial Estate Multan (Note 18.2).

18.14 During the year, the Company has obtained Diminishing Musharakah ILTFF from MBL to finance Textile Machinery on account of capital expenditure in Company's Spinning segment. The rate of markup on this loan is 6 MK + 1.50 % per anum. This loan is for Ten years period including a grace period of 2 years and is repayable in 32 quarterly installments commencing from June 2024.

Diminishing Musharakah finance facilities are secured against exclusive registered charge over underlying plant & machinery and ranking charge over fixed assets of the Company with 25% safety margin. During the year the Company has further obtained Diminishing Musharaka under Islamic financing facility for renewable energy (IFRE) secured against exclusive charge of Rs. 150 million over musharaka assets and JPP charge over all fixed assets. During the year 211.812 million has been converted from DF to LTFF.

Exclusive Charge for PKR 585 million over Musharakah Assets and 25% margin of approved DM-ILTFF facility of PKR 450 million in shape of Ranking Charge over all Fixed Assets of the Company (Note 18.3).

18.14 The finance facilities available from UBL are secured against JPP charge of Rs. 502 million on entire fixed assets on land consisting total area of 366 kanals and 13 marlas, 10.435 Acres or 70 Kanal and 3 Marlas building and plant & machinery on unit located at Multan Road, Muzaffargarh, D.G Khan Road, Muzaffargarh, Chowk Sarwar Shaheed and Industrial Estate Multan (Note 18.4).

18.15 The finance facilities available from ABL are secured against JPP charge over specific machinery imported through ABL to cover the principal amount of Rs. 770 million on entire fixed assets on land consisting total area of 366 kanals and 13 marlas, 10.435 Acares, 70 Kanal and 3 Marlas building and plant & machinery on units located at Multan Road, Muzaffargarh, D.G Khan Road, Muzaffargarh, Chowk Sarwar Shaheed and Industrial Estate Multan (Note 18.5).

18.16 During the year Company has obtained Temporary Economic Refinance Facility (TERF) amounting Rs. 500 million. This finance is obtained for retirement of import documents drawn under LC(s)-III to be created under TERF scheme of the State Bank of Pakistan.Tenor of this loan is up to a maximum of 10 years with 2 year grace period from the date of disbursement. Pricing for the facility shall be based on the Refinance Rate plus 150 basis point.

The finance facility available from BAH is secured against JPP charge of Rs. 1,346.67 million on entire fixed assets on land consisting total area of 366 kanals and 13 marlas, 10.435 Acres, 70 Kanal and 3 Marlas building and plant & machinery on units located at Multan Road Muzaffargarh. D.G khan Road Muzaffargarh and Chowk Sarwar Shaheed and Industrial Estate Multan (Note 18.6).

18.17 Demand finance from NBP is obtained for re-profiling of balance sheet. Tenor of loan is up to a maximum of 7 years with 2 year grace period.

This finance is secured against JPP Charge over all present and future movable fixed assets of the Company with 25% margin (Rs. 2,667 miilion) and equitable mortgage through MOCTD over land and building of the Company.

The transaction cost amounting to Rs. 40.600 million has been adjusted against this finance and amortized over the tenor of the finance. During the year amortization of Rs. 5.772 million (2021: Rs. 5.755 million) has been recognized (Note 18.7).

18.18 The Company has obtained long term finance from Bank Alfalah Limited for financing of salaries and wages under SBP Refinance Scheme for payment of salaries and wages. The rate of markup on this loan is 1% per annum. This loan is for two and half years period and is repayable in eight equal quarterly installments commencing from January 2021.

During the year, government grant amounting to nil (2021: 31.268 million) has been recognized and Rs. 17.028 million (2021: 27.919 million) has been amortized. In accordance with the terms of the grant, the Company is prohibited to lay-off the employees during the tenure of this finance.

During the year the Company has obtained additional solar energy equipment loan amounting to Rs.149.859 million(2021 Rs:149.736 million) from Bank Alfalah to finance purchase and installation of solar energy equipment.The rate of markup on this finance SBP rate plus 2%. This loan is for ten years period and is repayable in thirty two equal quarterly installments commencing from March 2023. During the period Rs. 279.54 million has been converted from DFF to LTFF.

During the year the Company has obtained additional Term Finance Loan amounting to Rs. 375.908 million (2021: Rs. 604.758 million) from Bank Alfalah Limited to finance purchase and installation of machinery. This loan is for ten years period and is repayable in thirty two equal quarterly installments commencing from March 2023. During the year Rs.598 million (2021: 382.665 million) has been converted to LTFF.

This finance is secured against 1st PP / JPP Charge over present and Future Fixed Assets (land, Building, Machinery, of all units of the Company for amounting to Rs. 2,270 million. Upgradation of ranking charge into 1st PP / JPP to secure TF (payroll) including 25% Margin (Note 18.8).

18.19 During the year the Company has obtained Term finance loan amounting to Rs. 548 million (2021:Rs.120 million) from Soneri Bank Limited to finance construction or civil works of building of spinning units. This loan is for 6 years period inclusive of one year grace period and it is repayable in 16 equal quarterly installments commencing from December 2023.

This finance is secured against 1st PP / JPP charge of Rs. 334 million over plant & machinery of the company with 25% margin (note 18.9).

18.20 The Company has obtained Term Finance loan from Askari Bank Limited to finance new imported / locally purchased plant & machinery. This loan is for 10 years period including 2 years grace period and is repayable in 16 equal half yearly installments commencing from November 2023.

During this period Rs.150.794 million has been converted from TF to LTFF.

This finance is secured against 1st PP / JPP Charge over present and Future Fixed Assets of the company with 25 % margin i-e Rs 667 million (Note 18.10).

18.21 During the year, the Company has obtained Term finance facility of Rs. 867.480 million from The Bank of Punjab to retire LC-Sight for local and imported purchase of machinery and related spares etc for expansion in spinning capacity of the Company. During the year Rs. 400.418 million has been converted from TF to TERF. The rate of markup on TF is 6 MK + 1.50 % per annum and on TERF is 3%. This loan is for ten years period including a grace period of 2 years and is repayable in 16 equal half yearly installments commencing from August 2024 (Note 18.11).

This finance is secured against JPP charge of Rs. 1,334.00 million over all present and Future Fixed Assets of the Company.

18.22 The long-term financing obtained under Temporary Economic Refinance Facility TERF of State Bank of Pakistan under below market intrest rate for a term of 10 years with grace period of 24 months.During the year government grant has been recognized amounting Rs: 364.253 million and it has been amortized Rs: 15.752 million during this period.

18.23 The effective mark-up rates that prevailed during the year on these finance facilities ranged from 1% to 17.63% (2021: 1% to 14.51%) per annum.

19.	**LEASE LIABILITIES**	**Note**	**2022 Rupees**	**2021 Rupees**
	Present value of minimum lease payments		31,475,309	15,098,902
	Current portion shown under current liabilities	24	(6,250,860)	(2,412,009)
			25,224,449	**12,686,893**

19.1 The Company has entered into finance lease agreement with Bank Al-Habib Limited to acquire vehicles. Total limit available during the year was Rs. 50 million. These are secured against title of the leased assets in the name of bank.

The minimum lease payments have been discounted at implicit rate of 6 MK + 1%. Lease rentals are payable in equal monthly installments.

The amount of future minimum lease payments along with their present value and the period during which they will fall due are:

	Minimum lease payments		**Present value of minimum lease payments**	
	2022	**2021**	**2022**	**2021**
	(Rupees)		**(Rupees)**	
Not later than one year	9,953,136	3,972,298	6,250,860	2,412,009
Later than one year and not later than five years	30,973,068	14,424,877	25,224,449	12,686,893
	40,926,204	18,397,175	31,475,309	15,098,902
Less: Future finance cost	(9,450,895)	(3,298,273)	-	-
Present value of minimum lease payments	**31,475,309**	**15,098,902**	**31,475,309**	**15,098,902**

20.	**DEFERRED LIABILITIES**	**Note**	**2022 (Rupees)**	**2021**
	Deferred taxation	20.1	519,973,642	327,056,604
	Long term portion of GIDC	20.2	38,471,850	60,777,946
			558,445,492	387,834,550

20.1 DEFERRED TAXATION

	Balance as at July 01, 2021	Charged to statement of profit or loss	Charged to statement of other comprehensive income	Balance as at June 30, 2022
		(Rupees)		
On taxable temporary differences				
Long term investments	327,056,604	197,267,038	(4,350,000)	519,973,642
	327,056,604	**62,059,975**	**(4,350,000)**	**384,766,579**

Comparative June 30, 2021

	Balance as at July 01, 2020	Charged to statement of profit or loss	Charged to statement of other comprehensive income	Balance as at June 30, 2021
		(Rupees)		
On taxable temporary differences				
Long term investments	104,497,826	218,208,778	4,350,000	327,056,604
	104,497,826	**218,208,778**	**4,350,000**	**327,056,604**

20.2 The Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional. As per Supreme Court's Order on review petition, the Government has agreed to recover the GIDC in 48 equal monthly installments. The Company has followed the relevant accounting standards and ICAP guideline in these financial statements.

The Company has recorded the provision at its present value by discounting the future cash flows at average borrowing rate i.e. 11.58 % per annum and has recognized income of Rs. 18.429 million which has been adjusted against cost of sales.

The current portion of provision for GIDC is presented under trade and other payables (refer note 21).

21. TRADE AND OTHER PAYABLES	**Note**	**2022 Rupees**	**2021 Rupees**
Creditors		974,603,556	399,668,758
Bills payable - secured	21.1	1,591,607,416	366,106,818
Due to an associated undertaking	21.2	61,502,899	55,534,742
Accrued expenses		1,135,725,877	729,840,322
Contract liabilities - advances from customers		73,178,647	33,051,138
Tax deducted at source		35,324,682	24,977,825
Workers' (profit) participation fund	32	86,494,981	76,210,678
Worker welfare fund	32	88,911,279	28,960,058
Current portion of provision for GIDC	20.2	66,679,829	43,959,477
Others		12,366,888	12,911,533
		4,126,396,054	**1,771,221,349**

21.1 These are secured against the securities as detailed in note 23.2.

21.2 This represents amount payable to M/s Khawaja Muzaffar Mahmood Muhammad Masood on account of normal trading transactions.

		Note	2022 Rupees	2021 Rupees
22.	**ACCRUED MARK-UP**			
	Mark-up accrued on:			
	- long term financing		178,133,022	89,925,333
	- short term borrowings		290,853,888	179,254,931
	- interest on GIDC		14,448,964	5,671,555
			483,435,874	**274,851,819**
23.	**SHORT TERM BORROWINGS**			
	Short term borrowings - secured	23.1	5,902,064,784	3,426,937,206
	Short term running finances - secured	23.1	6,068,196,586	3,755,922,190
			11,970,261,370	7,182,859,396
	Temporary bank overdrafts - unsecured		241,548,485	117,655,783
			12,211,809,855	**7,300,515,179**

23.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs. 18,350 million (2021: Rs. 15,650 million) including facilities aggregating nil (2021: Rs. 300 million) available on Group basis. These finance facilities, during the year, carried mark-up at the rates ranging from 7.85% to 15.56% (2021: 7.66% to 8.54%) per annum. The aggregate finance facilities are secured against charge over the Company's current assets, pledge of quoted shares, lien over export bills and banks' lien over letters of credit. These facilities are expiring on various dates by April 30, 2023.

23.2 Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs.13,790 million (2021: Rs. 15,090 million) including facilities aggregating Rs.3,700 million (2021: Rs.1,600 million) available on Group basis. Out of the available facilities, facilities aggregating Rs. 11,154 million (2021: Rs. 10,404 million) remained unutilized at the year-end. These facilities are secured against lien over import documents and charge over current assets of the Company. These facilities are expiring on various dates by April 30, 2023.

		Note	2022 Rupees	2021 Rupees
24.	**CURRENT MATURITY OF LONG TERM LIABILITIES**			
	Long term financing	18	1,171,710,797	980,892,918
	Lease liability	19	6,250,860	2,412,009
			1,177,961,657	**983,304,927**
25.	**TAXATION - Net**			
	Opening balance		320,000,000	262,000,000
	Add: provision made during the year:			
	- current		431,421,857	320,000,000
	- super tax		162,749,664	-
	- prior years - net		(7,256,791)	(3,516,630)
	Tax expense for the year - net		586,914,730	316,483,370
			906,914,730	578,483,370
	Less: payments / adjustments made during the year against completed assessments		312,743,209	258,483,370
			594,171,521	**320,000,000**

26. CONTINGENCIES AND COMMITMENTS

26.1 Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs. 900.308 million as at June 30, 2022 (2021: Rs. 795.947 million).

26.2 Sui Northern Gas Pipelines Limited (SNGPL) had raised arrears demand aggregating Rs.75.221 million from the Company against the charge that sui gas meter of the Company was not working properly. The Company challenged the said demand by filing a petition before the General Manager SNGPL, Lahore (the GM). Now the case has been referred to Gas Utility Court ("the Court") as per the requirement of Gas (Theft control and Recovery) Act, 2016 and as per direction of the Court, the Company has deposited Rs. 75.221 million under protest and grouped it under loans and advances (note 12). If the case is decided in the Company's favour, the Company will receive back the demand paid under protest.

26.3 The Company has filed a petition before the Civil Court, Multan against SNGPL, which has alleged that the Company's gas meter was not functioning properly during the period from May, 2012 to September, 2013. SNGPL has raised demand amounting Rs.1.101 million. The Company's petition is pending adjudication.

26.4 The Company had challenged the imposition of infrastructure cess by the Directorate of Excise & Taxation, Karachi (the Directorate) at the rate of 0.85% of the value of imported goods by filing a suit before the High Court of Sindh at Karachi (the Court). The Court had directed the Company to furnish a bank guarantee covering the disputed amount of cess. The Company, during the period from December 28, 2006 to May 30, 2011, had utilized bank guarantees to the tune of Rs.32.489 million. The Directorate, vide its letter dated July 13, 2011, had requested the Company to furnish a bank guarantee of 50% of the aforementioned amount along with a demand draft for the balance 50% of the aforementioned amount in order to return of the previous bank guarantees.

The Company had submitted a bank draft amounting Rs.16.245 million to the Directorate during September, 2011, which was grouped under loans and advances. Habib Bank Limited, on behalf of the Company in consideration of allowing the release of consignments imported from time to time for the purpose of carriage of goods by road within the province of Sindh, has undertaken and guaranteed to pay an amount of Rs.16.245 million to the Directorate in case if the Court decides that the cess imposed under the Sindh Finance Act, 1994 is lawful and validly imposed. The bank guarantee is valid upto August 15, 2022. The management, during year ended June 30, 2013, had expensed the advance of Rs.16.245 million.

26.5 Foreign and local bills discounted outstanding as at June 30, 2022 aggregated to Rs. 2,643.143 million (2021: Rs. 2,146.383million) and Rs. 358.726 million (2021: 262.466 million) respectively.

	2022	2021
26.6 Commitments for irrevocable letters of credit:	(Rupees in million)	
- capital expenditure	1,101.793	2,569.967
- others	633.602	1,319.678
	1,735.396	3,889.645

		Note	2022 Rupees	2021 Rupees
27.	**SALES - Net**			
	Export			
	- yarn		21,163,889,032	16,055,955,520
	- cloth		11,371,529,334	6,472,963,355
	- waste		107,682,888	70,500,248
	- apparel		497,763,827	-
		27.1	33,140,865,081	22,599,419,123
	Local			
	- yarn		7,532,608,137	3,495,375,014
	- cloth		3,212,382,671	2,646,016,707
	- waste		1,304,470,681	857,441,022
	- doubling / sizing income		64,372,512	9,635,681
	- cotton		282,027,178	1,283,384,602
	- apparel		215,501,688	-
			12,611,362,867	8,291,853,026
			45,752,227,948	30,891,272,149
	Sales tax		(4,782,902,406)	(2,956,774,370)
			40,969,325,542	**27,934,497,779**

27.1 Gain aggregating Rs.222.739 million - net (2021: Rs.8.144 million - net) arisen upon realization of foreign currency export debtors has been grouped under export sales.

		Note	2022 Rupees	2021 Rupees
28.	**COST OF SALES**			
	Raw materials consumed	28.1	28,583,609,387	19,630,086,917
	Stores and spares consumed		619,363,872	472,312,201
	Packing materials consumed		303,429,802	248,975,414
	Salaries, wages and benefits	28.2	2,053,255,254	1,406,987,926
	Power and fuel		2,136,464,928	1,329,971,252
	Repair and maintenance		128,262,805	52,821,107
	Depreciation	5.8	798,884,931	689,267,913
	Insurance		123,809,980	77,062,134
	Doubling charges		27,122,864	25,616,323
			34,774,203,823	23,933,101,187
	Adjustment of work-in-process			
	Opening stock		215,687,450	180,673,772
	Closing stock	10	(536,583,794)	(215,687,450)
			(320,896,344)	(35,013,678)
	Cost of goods manufactured		34,453,307,479	23,898,087,509
	Adjustment of finished goods			
	Opening stock		974,871,592	1,198,225,904
	Closing stock	10	(1,889,987,489)	(974,871,592)
			(915,115,897)	223,354,312
			33,538,191,582	**24,121,441,821**

28.1	**Raw materials consumed**	**Note**	**2022 Rupees**	**2021 Rupees**
	Opening stock		6,629,381,592	5,680,317,258
	Purchases and purchase expenses		31,155,797,459	20,570,967,536
			37,785,179,051	26,251,284,794
	Closing stock	10	(9,211,846,436)	(6,629,381,592)
			28,573,332,615	19,621,903,202
	Cotton cess		10,276,772	8,183,715
			28,583,609,387	**19,630,086,917**

28.2 Expense for the year includes staff retirement benefits - gratuity amounting Rs.122.320 million (2021: Rs.96.231 million).

29. DISTRIBUTION COST

Advertisement		1,154,380	125,442
Export expenses		703,978,312	265,755,253
Commission		397,845,098	294,594,296
Export development surcharge		28,931,476	30,702,267
Freight and other expenses		220,946,561	112,097,030
		1,352,855,827	**703,274,288**

30. ADMINISTRATIVE EXPENSES

Salaries and benefits	30.1	427,674,307	274,530,745
Travelling and conveyance	30.2	145,243,995	50,443,137
Rent, rates and taxes		3,636,949	3,951,329
Entertainment		79,321,850	48,374,246
Utilities		8,004,040	6,066,982
Communication		35,723,739	25,334,796
Printing and stationery		27,581,336	15,730,899
Insurance		5,530,952	7,165,109
Repair and maintenance		74,792,261	46,172,249
Vehicles' running and maintenance		41,818,562	20,306,931
Subscription and licensing fees		42,927,706	24,239,683
Auditors' remuneration:			
- statutory audit		1,250,000	1,000,000
- audit of special purpose financial statements		-	700,000
- half yearly review		165,000	181,500
- certification charges		85,000	31,500
		1,500,000	1,913,000
Legal and professional charges		19,008,508	8,257,202
Depreciation	5.8	92,647,444	43,806,069
Amortization	6	177,513	-
General		112,361,817	31,946,168
		1,117,950,979	**608,238,545**

30.1 Expense for the year includes staff retirement benefits - gratuity amounting Rs. 34.722 million (2021: Rs. 21.158 million).

30.2 These include directors' travelling expenses aggregating Rs. 86.49 million (2021: Rs. 34.630 million).

31.	**OTHER INCOME**	**Note**	**2022 Rupees**	**2021 Rupees**
	Income from financial assets			
	Dividends		17,412,162	127,164,596
	Mark up on TFC's		18,677,178	13,309,513
	Realized gain on sale of short term investments at fair value through profit or loss - net		8,145,447	-
	Exchange fluctuation gain - net		90,547,823	2,519,634
	Fair value gain on long term investment	7.2	-	192,728,029
	Government grant	18.2	32,780,005	27,918,719
	Income from non-financial assets			
	Duty drawback on export sales		-	759,183
	Export Rebate		7,374,006	-
	Gain on disposal of operating fixed assets - net	5.7	1,764,471	1,934,092
			176,701,092	**366,333,766**

32.	**OTHER EXPENSES**			
	Donations (without directors' interest)	32.1	42,113,857	26,442,403
	Exchange fluctuation loss - net		-	-
	Realized loss on sale of short term investments at fair value through profit or loss - net		-	26,926,529
	Unrealized loss on re-measurement of short term investments at fair value through profit or loss	14	95,835,698	3,551,581
	Worker's Profit Participation fund	21	157,766,120	76,210,678
	Worker welfare fund	21	59,951,221	28,960,058
			355,666,896	**162,091,249**

32.1 During the year, the Company has made donations exceeding higher of 10% of total donations or Rs. 1,000,000/- to following:

Punjab Social Security Health Management Company (PSSHMC)	4,523,797	5,224,474
Chaudhry Parvaiz Elahi Institute of Cardiology (CPEIC)	-	1,048,000
Minar Welfare Society	-	2,400,000
Care High School Foundation	-	2,100,000
	4,523,797	**10,772,474**

33. FINANCE COST - Net

	Note	2022 Rupees	2021 Rupees
Mark-up on:			
- long term financing		588,226,303	358,221,927
- short term borrowings		1,026,658,038	796,076,001
- lease liabilities		2,471,468	482,871
Interest on GIDC		8,777,409	5,671,555
Bank charges and commission		157,524,600	97,330,399
		1,783,657,818	**1,257,782,753**

34. TAXATION

	Note	2022 Rupees	2021 Rupees
Current	25	431,421,857	320,000,000
Super Tax	25	162,749,664	-
Deferred	20.1	197,267,038	218,208,778
		791,438,559	538,208,778
		(7,256,791)	(3,516,630)
Prior year adjustment		**784,181,768**	**534,692,148**

34.1 Income tax assessments of the Company have been finalized by the Income Tax Department or deemed to be assessed under Section 120 of Income Tax Ordinance, 2001 (the Ordinance) upto the financial year ended June 30, 2021 (tax year 2021).

34.2 No numeric tax rate reconciliation is presented in these financial statements as the Company is only liable to pay tax due under sections 5 (Tax on dividends), 37 A (Tax on capital gain on disposal of securities), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

35. EARNINGS PER SHARE

There is no dilutive effect on earnings per share of the Company, which is based on:

		2022	2021
Profit after taxation attributable to ordinary shareholders	Rupees	3,178,195,303	1,340,603,337
Weighted average number of ordinary shares in issue during the year	Number	18,750,000	18,750,000
Earnings per share - basic	Rupees	169.50	71.50

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening	Non-cash changes	Cash flows	Closing
	-------------------- Rupees --------------------			
2022				
Long term financing	6,814,887,417	(32,780,005)	2,351,128,019	9,133,235,431
Lease liabilities	15,098,902	-	16,376,407	31,475,309
Unclaimed dividend	2,385,830	187,500,000	(186,834,055)	3,051,775
Short term borrowings	7,300,515,179	-	4,911,294,676	12,211,809,855
2021				
Long term financing	5,678,057,740	(27,918,719)	1,164,748,396	6,814,887,417
Lease liabilities	-	-	15,098,902	15,098,902
Unclaimed dividend	2,438,530	-	(52,700)	2,385,830
Short term borrowings	8,763,773,382	-	(1,463,258,203)	7,300,515,179

37. SEGMENT INFORMATION

During the year the Company has started the commercial operations of apparel unit which meets the criteria of reporting segment. Based on internal management reporting structure and products being produced and sold, the Company has been organized into three operating segments i.e. spinning, weaving and apparel.

Information regarding the Company's reportable segments is presented below:

Segment analysis

	Spinning	Weaving	Apparel	Total
	------------------- Rupees -------------------			
Year ended June 30, 2022				
Revenue	31,251,614,837	9,004,445,190	713,265,515	**40,969,325,542**
Segment results	4,253,578,985	924,581,919	(217,833,751)	**4,960,327,154**

	Spinning	Weaving	Apparel	Total
	------------------- Rupees -------------------			
Year ended June 30, 2021				
Revenue	20,441,194,141	7,493,303,638	-	**27,934,497,779**
Segment results	1,272,208,850	1,229,334,275	-	**2,501,543,125**

Reconciliation of segment results with profit from operations:

	2022 Rupees	2021 Rupees
Total results for reportable segments	4,960,327,154	2,501,543,125
Other income	176,701,092	366,333,766
Other expenses	(355,666,896)	(162,091,249)
Finance cost	(1,783,657,818)	(1,257,782,753)
Share of profit of associates	964,673,540	427,292,596
Profit before taxation	**3,962,377,071**	**1,875,295,485**

Information on assets and liabilities by segment is as follows:

	Spinning	Weaving	Apparel	Total
	-------------------- Rupees --------------------			
As at June 30, 2022				
Segment assets	25,299,318,020	4,689,087,264	1,203,478,973	31,191,884,257
Segment liabilities	22,262,415,280	2,284,921,228	1,347,863,391	25,895,199,898
As at June 30, 2021				
Segment assets	16,628,508,231	4,360,879,776	-	20,989,388,007
Segment liabilities	10,797,774,611	5,300,184,985	-	16,097,959,596

Reconciliation of segment assets and liabilities with totals in the Statement of financial position is as follows:

	As at June 30, 2022		As at June 30, 2021	
	Assets	Liabilities	Assets	Liabilities
	Rupees			
Total for reportable segments	31,191,884,257	25,895,199,898	20,989,388,007	16,097,959,596
Unallocated assets / liabilities	8,601,226,737	1,246,821,413	5,835,373,419	788,835,450
Total as per statement of financial position	**39,793,110,994**	**27,142,021,311**	**26,824,761,426**	**16,886,795,046**

Sales to domestic customers in Pakistan are 19.11% (2021:19.10%) and to customers outside Pakistan are 80.89% (2021: 80.90%) of the revenues during the year.

The Company's customer base is diverse with no single customer accounting for more than 10% of net revenues.

Geographical Segments

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

38.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

38.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of raw materials, plant & machinery, stores & spares and export of goods mainly denominated in U.S. $, Euro, Japanese Yen (JPY), Swiss Franc (CHF). Chinese Yuan (CNY) and British (GBP). The Company's exposure to foreign currency risk for U.S. $, Euro, JPY, CHF, CNY and GBP is as follows:

2022	Rupees	U.S.$	Euro	JPY	CHF	CNY	GBP
Trade debts	(1,986,564,720)	(12,069,500)	(111,194)	-	-	-	
Bills payable	1,591,607,416	11,186,223	1,168,413		7,318	-	
Gross statement of financial position exposure	(394,957,304)	(883,277)	1,057,219	-	7,318	-	-
Outstanding letters of credit	143,788,374	6,482,675	3,231,850	9,002,255	5,624	-	-
Net exposure	**(251,168,930)**	**5,599,398**	**4,289,069**	**9,002,255**	**12,942**	**-**	**-**

2021							
Trade debts	(506,846,051)	(3,785,737)	(124,186)	-	-	-	
Bills payable	366,106,818	3,088,854	574,037	-	-	-	
Gross statement of financial position exposure	(140,739,233)	(696,883)	449,851	-	-	-	-
Outstanding letters of credit	3,523,538,182	11,729,207	6,174,632	91,847,743	3,974,834	-	13,442
Net exposure	**3,382,798,949**	**11,032,324**	**6,624,483**	**91,847,743**	**3,974,834**	**-**	**13,442**

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2022	**2021**	**2022**	**2021**
U.S. $ to Rupee	179.74	159.76	206 / 205.5	157.10 / 157.60
Euro to Rupee	201.84	190.97	215.75 / 215.23	186.95 / 187.54
JPY to Rupee	1.52	1.50	1.50	1.42
CHF to Rupee	193.00	175.64	215.43	170.49
CNY to Rupee	28.04	24.20	-	-
GBP to Rupee	237.52	-	249.92	217.56

Sensitivity analysis

At June 30, 2022, if Rupee had strengthened by 10% against U.S.$, Euro, JPY, CHF CNY and GBP with all other variables held constant, profit before taxation for the year would have been lower by the amount shown below mainly as a result of foreign exchange losses on translation of foreign currency financial assets, whereas profit before taxation for the year would have been higher by the amount shown below mainly as a result of foreign exchange gain on translation of foreign currency

Effect on profit for the year:

	2022 Rupees	2021 Rupees
U.S.$ to Rupee	(18,195,506)	(11,679,759)
Euro to Rupee	22,754,525	8,472,494
CHF to Rupee	158,040	-
CNY to Rupee	-	-

The weakening of Rupee against U.S. $, Euro, JPY, CHF and CNY would have had an equal but opposite impact on profit before taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on before tax profit for the year and assets / liabilities of the Company.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2022	2021	2022	2021
	Effective mark-up rate		Carrying amount -------- (Rupees) --------	
	%	%		
Fixed rate instruments				
Financial assets				
Bank balances at saving accounts	8% to 10%	4% to 5%	142,488	133,838
Long term Finance	1% to 5%	1% to 5%	4,501,547,040	3,297,114,704
Variable rate instruments				
Financial liabilities				
Long term financing	8.25% to 17.63%	8.74% to 14.51%	4,631,688,390	3,517,772,713
Lease liabilities	8.35% to 15.83%	8.35% to 8.77%	31,475,309	15,098,902
Short term borrowings	7.85% to 15.31%	7.66% to 8.54%	11,970,261,370	7,182,859,396

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 166.334 million (2021: Rs. 139.946 million) lower / higher, mainly as a result of higher / lower interest expense on variable rate financial liabilities.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. Company's short term investments may be subject to price risk.

38.3 Credit risk exposure and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

The trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

38.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 along with comparative is tabulated below:

	2022 Rupees	2021 Rupees
Long term deposits	53,425,459	25,015,991
Trade debts	6,281,030,886	2,649,519,841
Loans and advances	17,672,700	16,458,018
Other receivables	163,147,940	299,368,361
Short term investments	324,774,381	310,890,723
Bank balances	34,766,215	90,908,066
	6,874,817,581	**3,392,161,000**

38.3.2 Trade debts exposure by geographic region

Domestic	4,294,466,166	2,142,673,790
Export	1,986,564,720	506,846,051
	6,281,030,886	**2,649,519,841**

The majority of export debts of the Company are situated in Asia and Europe.

The ageing of trade debts at the year-end was as follows:

Not past due	4,572,242,720	2,315,589,474
Past due less than 3 months	1,509,834,771	318,124,533
Past due less than 6 months	155,229,173	9,735,807
Past due more than 6 months	43,724,222	6,070,027
	6,281,030,886	**2,649,519,841**

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Credit rating

The credit ratings of the banks in which the Company has maintained its deposits are as follows:

	Rating Agency	Credit Rating		Date of Rating
		Short Term	Long Term	
Bank Alfalah Limited	PACRA	A1+	AA+	June/22
Bank Al-Habib Limited	PACRA	A1+	AAA	June/22
Bank Islami Pakistan Limited	PACRA	A1	A+	June/22
Habib Bank Limited	JCR-VIS	A1+	AAA	June/22
MCB Bank Limited	PACRA	A1+	AAA	June/22
National Bank of Pakistan	JCR-VIS	A1+	AAA	June/22
Soneri Bank Limited	PACRA	A1+	AA-	June/22
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	June/22
The Bank of Punjab	PACRA	A1+	AA+	June/22
United Bank Limited	JCR-VIS	A1+	AAA	June/22
Askari Bank Limited	PACRA	A1+	AA+	June/22

38.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

2022	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	Rupees				
Long term financing	8,783,471,900	9,867,697,225	1,265,276,371	6,987,611,680	1,614,809,174
Lease liabilities	31,475,309	40,926,204	9,953,136	30,973,068	-
Short term borrowings	12,211,809,855	12,211,809,855	12,211,809,855	-	-
Trade and other payables	3,884,309,965	3,884,309,965	3,884,309,965	-	-
Unclaimed dividend	3,051,775	3,051,775	3,051,775	-	-
Accrued mark-up	483,435,874	483,435,874	483,435,874	-	-
	25,397,554,678	**26,491,230,898**	**17,857,836,976**	**7,018,584,748**	**1,614,809,174**

2021	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	Rupees				
Long term financing	6,796,596,833	8,192,708,769	1,007,604,410	5,707,491,009	1,477,613,350
Lease liabilities	15,098,902	18,397,175	3,972,298	14,424,877	-
Short term borrowings	7,300,515,179	7,300,515,179	7,300,515,179	-	-
Trade and other payables	1,622,091,136	1,622,091,136	1,622,091,136	-	-
Unclaimed dividend	2,385,830	2,385,830	2,385,830	-	-
Accrued mark-up	274,851,819	274,851,819	274,851,819	-	-
	16,011,539,699	**17,410,949,908**	**10,211,420,672**	**5,721,915,886**	**1,477,613,350**

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

38.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At June 30, 2022, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

39. FAIR VALUE MEASUREMENTS

The Company measures fair value using valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	June 30, 2022			June 30, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees					
Property, plant and equipment	-	4,353,661,726	-	-	3,428,875,084	-
Long term investment - FVTOCI	-	-	-	-	-	1,040,000,000
Short term investments	324,774,382	-	-	310,890,723	-	-

40. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

The debt-to-equity ratios as at June 30, were as follows:

	2022 Rupees	2021 Rupees
Total debt	21,376,520,595	14,130,501,498
Total equity	12,651,089,683	9,937,966,380
Debt-to-equity ratio	1.69	1.42

There was no change in Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity and current ratios under the financing agreements.

41. REMUNERATION OF DIRECTOR AND EXECUTIVES

	Director		Executives	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Managerial remuneration	9,600,000	9,600,000	62,064,101	40,603,002
Bonus	-	-	9,327,512	3,141,950
Retirement benefits - gratuity	-	-	5,913,522	3,906,215
Other perquisites and benefits	-	-	4,944,912	5,071,540
Meeting fee	200,000	-	-	-
	9,800,000	**9,600,000**	**82,250,047**	**52,722,707**
Number of persons	3	1	38	18

41.1 The chief executive, all directors and some of the executives have been provided with the Company's maintained cars, residential and cell phones.

42. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies and an undertaking, its directors and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties and remuneration of key management personnel are disclosed in the relevant notes. There were no transactions with key management personnel other than under the terms of employment. The transactions with related parties are made at normal market prices.

Material transactions with associated companies and an undertaking during the year were as follows:

Description of transaction	Nature of relationship	2022 Rupees	2021 Rupees
Masood Spinning Mills Limited			
Sale of goods	Common directorship / 29.71 % shareholding	402,546,320	202,278,202
Purchase of goods		1,291,252,006	413,006,281
Doubling charges		1,676,095	601,815
Doubling revenue		31,486,096	3,690,318
Acqusition of shares		758,078,000	-
Dividend income		4,000,000	-
Roomi Fabrics Limited			
Sale of goods	Common directorship till April, 2021 / 18.18 percent shareholding	-	253,564,212
Purchase of goods		-	76,147,062
Doubling revenue		-	888,800
Masood Fabrics Limited			
Sale of goods	Common directorship till April, 2021	-	1,021,228,853
Purchase of goods		-	92,980,350
Doubling revenue		-	2,389,468
Multan Fabrics (Private) Limited			
Purchase of vehicle - Jeep BAIC	Common directorship	7,970,768	4,050,000
Roomi Enterprises (Private) Limited			
Sale of goods	Common directorship	22,400,000	14,742,000
Sale of shares		766,912,099	624,222,812
Purchase of goods		-	10,193,625
Doubling revenue		3,005,400	
M/S Khawaja Muzaffar Mahmood	Muhammad Masood		
Purchase of cotton	Common directorship	-	526,032,717
Sale of cotton		-	5,260,327
Orient Power Company (Private) Limited			
Dividend income	20.967% shareholding	174,671,940	218,340,469
Roomi Poultry (Private) Limited			
Purchase of vehicle - Hiace Prince	Common directorship	2,269,600	-
Technical Director			
Purchase of land	Key management personnel	67,882,489	-
Director			
Sale of Vehicle	Key management personnel	-	805,000

43. CAPACITY AND PRODUCTION		2022	2021
Yarn			
Number of spindles installed		120,720	115,920
Number of spindles-shifts worked		126,694,772	119,037,269
Production capacity at 20's count			
1,095 shifts (2021: 1,096 shifts)	Kgs.	46,843,532	45,022,045
Actual production converted into 20's count	Kgs.	43,590,338	39,953,018
Cloth			
Number of looms installed		196	196
Number of looms-shifts worked		214,221	214,221
Installed capacity at 60 picks			
1,095 shifts (2021: 1,096 shifts)	Mtrs.	45,284,160	36,747,990
Actual production converted into 60 picks	Mtrs.	41,472,944	36,595,469
Apparel			
Installed capacity	Pcs.	2,848,428	-
Actual production	Pcs.	1,035,679	-
Power House			
Number of generators installed		10	10
Number of shifts worked		1,095	1,095
Generation capacity in Mega Watts		20.45	20.45
Actual generation in Mega Watts		8.70	8.70

It is difficult to describe precisely the production capacity in spinning / weaving mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist, the width and construction of fabric woven, etc. It also varies according to the pattern of production adopted in a particular year.

44. NUMBER OF EMPLOYEES	2022	2021
	------ Numbers ------	
Number of persons employed as at June 30,		
- permanent	4,002	3,000
- contractual	226	150
Average number of employees during the year		
- permanent	3,929	2,990
- contractual	209	170

45. EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on September 29, 2022 has proposed 100% cash dividend (2021: 100%) for the year ended June 30, 2022.

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29 September, 2022 by the board of directors of the Company.

47. FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary.

sd/-	sd/-	sd/-	sd/-
Kh. Muhammad Ilyas	**Kh. Muhammad Iqbal**	**Kh. Muhammad Younus**	**Yasir Ghaffar**
Chairman	Chief Executive Officer	Director	Chief Financial Officer

LEGAL FORMS

04

FORM OF PROXY

I/We ______________________________

of ______________________________

being a member(s) of Mahmood Textile Mills Limited hold ______________________________

Ordinary Shares hereby appoint Mr. / Mrs. / Miss ______________________________

of ______________ or falling him / her ______________________________

of ______________ as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 52nd Annual General Meeting of the Company to be held on Friday, October 21 2022 at Company's Registered Office, Mehr Manzil Lohari Gate, Multan. and / or any adjournment thereof.

As witness my/our hand/seal this ______________ day of ______________ 2022.

Signature of Member ______________

in the presence of

Signatures ______________

Name ______________

Adress ______________

Signatures ______________

Name ______________

Address ______________

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on Revenue Stamp

The Signature should agree with the specimen registered with the Company

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office Mehr Manzil, Lohari Gate, Multan not later than 48 hours before the time for the meeting and must be duly stamped, signed and witnessed.

2. Any individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her CNIC or Passport, to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her NIC or Passport, Representatives of corporate members should bring the usual documents required for such purpose.

In addition to the above the following requirements have to be met.

(i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.

(ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.

(iii) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

پراکسی فارم

میں / ہم --

ساکن -- بطور ممبر(ز) محمود ٹیکسٹائل ملز لمیٹڈ

حامل --------------------- عام حصص، محترم / محترمہ --

ساکن --- یا ان کے حاضر نہ ہو سکنے کی صورت میں ---------------------------------

ساکن -- کو اپنے/ہمارے ایماء پر کمپنی کے مورخہ 21 اکتوبر 2022ء بروز

جمعہ 11.00 بجے کمپنی کے رجسٹرڈ آفس مہرمنزل، لوہاری گیٹ، ملتان میں ہونے والے 52 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کیلئے اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

ممبر کے دستخط

گواہ کے دستخط	گواہ کے دستخط
نام	نام ....
CNIC / پاسپورٹ نمبر	CNIC / پاسپورٹ نمبر ....
ایڈریس	ایڈریس ....

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شرکت دار کی شناخت	اکاؤنٹ نمبر

رسیدی ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے

اہم نکات:

1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کے دفتر میں موصول ہو جانا چاہیے۔

2۔ اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کالعدم قرار دیئے جائیں گے۔

3۔ **سی ڈی سی اکاؤنٹ رکھنے والے/کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔**

(i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔

(ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہو گا۔

(iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہو گی۔

E-Voting as per the Companies (E-Voting) Regulations, 2016

I/We, ______________________________ of ____________________, being a member of Mahmod Textile Mills Ltd, holder of _________________________Ordinary Share(s) as per Register Folio No./CDC Account No.________________ hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer ___________________________ as proxy and will exercise e-voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is ______________________________________, please send login details, password and other requirements through email.

Signed under my/our hand this ________ day of ________________ 20____.

Signature of Member

Signed in the presence of:

_ _

Signature of Witness	Signature of Witness
Name:____	Name:___________________________________
CNIC/Passport No:____________________________	CNIC/Passport No:____________________________
Address:_____________________________________	Address:______________________________________

E-voting بمطابق E-voting ریگولیشنز

میں/ہم..آ ف..بحیثیت ممبر محمود ٹیکسٹائل ملز لمیٹڈ حامل ....
عام شیئرز رجسٹرڈ فولیو نمبر/ CDC اکاؤنٹ نمبر..دوسرے شخص کے ذریعے E-voting کی آپشن اختیار کرتا ہوں اور اس پر عمل کے لئے
....کو بحیثیت پراکسی Execution آفیسر مقرر کرنے پر رضا مندی ظاہر کرتا ہوں کہ وہ کمپنی۔ 2016ء کے قواعد کے تحت
E-voting میں حصہ لے گا اور میں/ ہم قرارداد کیلئے انتخاب کا مطالبہ کرتا ہوں/کرتے ہیں۔

میرا محفوظ کردہ E-mail ایڈریس..ہے۔

برائے مہربانی مجھے/ہمیں Login تفصیلات، Password اور دیگر مطلوبہ معلومات بذریعہ E-mail ارسال کریں۔

میرے/ ہمارے دستخط..مورخہ..سال..

ممبر کے دستخط

گواہ کے دستخط	گواہ کے دستخط
نام..	نام..
CNIC / پاسپورٹ نمبر	CNIC / پاسپورٹ نمبر ....
ایڈریس..	ایڈریس..

DIVIDEND MANDATE FORM

Dear members

It is to inform you that U/s 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, direct the company to pay dividend through his/ her/ its bank Account.

In pursuance of directions given by the SECP Vide circular No. SMD/CIW/Misc/19/2009 dated June 05, 2012 we request Mr./Mrs./Ms. ____

S/o/D/o W/o ____(where applicable) being the registered shareholder of Mahmood Textile Mills Ltd holding ______________ shares having F.No./CDC A/c No. ________________________________ hereby given the opportunity to authorize the company to directly credit in your bank account cash dividend (if any declared by the company in future.

Note:-(Please note that Dividend Mandate is optional & not compulsory, in case you don't wish your dividend to be directly credited into your bank A/c then the same shall be paid to you through Dividend Warrant.)

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of Dividend warrants. Please tick any one of the following.

YES ☐ **NO** ☐

If yes then please provide the following information.

Transfer Detail

1) IBAN number	
2) Title of Bank Account;	
3) Bank Account number;	
4) Bank Code and Branch; Code	
5) Bank Name, Branch Name and Address;	
6) Cell/Landline Number;	
7) CNIC number; and	
8) Email Address.	

INCOME TAX RETURN FILING STATUS

Confirmation for filing status of Income Tax return for application of revised rates pursuant to the provisions of Finance Act, 2018

The Company Secretary
Mahmood Textile Mills Limited
Mehr Manzil, Lohari Gate,
Multan.

Dear Sir

I, Mr./Mrs./Ms ________________________ S/O, D/O, W/O ________________________ hereby confirm that I am registered as National Tax Payer and my relevant detail is given below:-

Folio No./CDC A/c No.	Name	NTN No.	CNIC # in case of Individual & CUIN in case of Company	Income Tax return for the year ______ filed

It is stated that the above mentioned information is correct.

____

Signatures of Shareholder

Note:

- Shareholders are also requested to communicate aforesaid information to relevant members of Stock Exchange & CDC (in case of CDC Account holders).
- Please attach attested copy of CNIC and receipt of Income Tax return filed

INVESTORS' EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan's SRO 924(1)/2015 dated September 9, 2015, Investors' attention is invited to the following information message:

MAHMOOD GROUP

Mahmood Textile Mills Limited

Head Office: Mehr Manzil, O/s Lohari Gate,
P.O. Box 28, Multan - Pakistan.
(92 61) 111 181 181
(92 61) 4511262, 4549711
mtm@mahmoodgroup.com
www.mahmoodgroup.com